(II) not be contingent on any decision rendered by the entity or by any independent medical reviewer.

(C) CERTIFICATION AND RECERTIFICATION PROCESS.—

(i) IN GENERAL.—The initial certification and recertification of a qualified external review entity shall be made—

(I) under a process that is recognized or approved by the appropriate Secretary; or

(II) by a qualified private standard-setting organization that is approved by the appropriate Secretary under clause (iii).

In taking action under subclause (I), the appropriate Secretary shall give deference to entities that are under contract with the Federal Government or with an applicable State authority to perform functions of the type performed by qualified external review entities.

(ii) PROCESS.—The appropriate Secretary shall not recognize or approve a process under clause (i)(I) unless the process applies standards (as promulgated in regulations) that ensure that a qualified external review entity—

(I) will carry out (and has carried out, in the case of recertification) the responsibilities of such an entity in accordance with this section, including meeting applicable deadlines;

(II) will meet (and has met, in the case of recertification) appropriate indicators of fiscal integrity;

(III) will maintain (and has maintained, in the case of recertification) appropriate confidentiality with respect to individually identifiable health information obtained in the course of conducting external review activities; and

(IV) in the case recertification, shall review the matters described in clause (iv).

(iii) APPROVAL OF QUALIFIED PRIVATE STANDARD-SETTING ORGANIZATIONS.—For purposes of clause (i)(II), the appropriate Secretary may approve a qualified private standard-setting organization if such Secretary finds that the organization only certifies (or recertifies) external review entities that meet at least the standards required for the certification (or recertification) of external review entities under clause (ii).

(iv) CONSIDERATIONS IN RECERTIFICATIONS.—In conducting recertifications of a qualified external review entity under this paragraph, the appropriate Secretary or organization conducting the recertification shall review compliance of the entity with the requirements for conducting external review activities under this section, including the following:

(I) Provision of information under subparagraph (D).

(II) Adherence to applicable deadlines (both by the entity and by independent medical reviewers it refers cases to).

(III) Compliance with limitations on compensation (with respect to both the entity and independent medical reviewers it refers cases to).

(IV) Compliance with applicable independence requirements.

(v) PERIOD OF CERTIFICATION OR RECERTIFICATION.—A certification or recertification provided under this paragraph shall extend for a period not to exceed 2 years.

(vi) REVOCATION.—A certification or recertification under this paragraph may be revoked by the appropriate Secretary or by the organization providing such certification upon a showing of cause.

(vii) SUFFICIENT NUMBER OF ENTITIES.—The appropriate Secretary shall certify and recertify a number of external review entities which is sufficient to ensure the timely and efficient provision of review services.

(D) PROVISION OF INFORMATION.—

(i) IN GENERAL.—A qualified external review entity shall provide to the appropriate Secretary, in such manner and at such times as such Secretary may require, such information (relating to the denials which have been referred to the entity for the conduct of external review under this section) as such Secretary determines appropriate to assure compliance with the independence and other requirements of this section to monitor and assess the quality of its external review activities and lack of bias in making determinations. Such information shall include information described in clause (ii) but shall not include individually identifiable medical information.

(ii) INFORMATION TO BE INCLUDED.—The information described in this subclause with respect to an entity is as follows:

(I) The number and types of denials for which a request for review has been received by the entity.

(II) The disposition by the entity of such denials, including the number referred to a independent medical reviewer and the reasons for such dispositions (including the application of exclusions), on a plan or issuer-specific basis and on a health care specialty-specific basis.

(III) The length of time in making determinations with respect to such denials.

(IV) Updated information on the information required to be submitted as a condition of certification with respect to the entity's performance of external review activities.

(iii) INFORMATION TO BE PROVIDED TO CERTIFYING ORGANIZATION.—

(I) IN GENERAL.—In the case of a qualified external review entity which is certified (or recertified) under this subsection by a qualified private standard-setting organization, at the request of the organization, the entity shall provide the organization with the information provided to the appropriate Secretary under clause (i).

(II) ADDITIONAL INFORMATION.—Nothing in this subparagraph shall be construed as preventing such an organization from requiring additional information as a condition of certification or recertification of an entity.

(iv) USE OF INFORMATION.—Information provided under this subparagraph may be used by the appropriate Secretary and qualified private standard-setting organizations to conduct oversight of qualified external review entities, including recertification of such entities, and shall be made available to the public in an appropriate manner.

(E) LIMITATION ON LIABILITY.—No qualified external review entity having a contract with a plan or issuer, and no person who is employed by any such entity or who furnishes professional services to such entity (including as an independent medical reviewer), shall be held by reason of the performance of any duty, function, or activity required or authorized pursuant to this section, to be civilly liable under any law of the United States or of any State (or political subdivision thereof) if there was no actual malice or gross misconduct in the performance of such duty, function, or activity.

Subtitle B—Access to Care

SEC. 111. CONSUMER CHOICE OPTION.

(a) IN GENERAL.—If—

(1) a health insurance issuer providing health insurance coverage in connection with a group health plan offers to enrollees health insurance coverage which provides for coverage of services only if such services are furnished through health care professionals and providers who are members of a network of health care professionals and providers who have entered into a contract with the issuer to provide such services, or

(2) a group health plan offers to participants or beneficiaries health benefits which provide for coverage of services only if such services are furnished through health care professionals and providers who are members of a network of health care professionals and providers who have entered into a contract with the plan to provide such services,

then the issuer or plan shall also offer or arrange to be offered to such enrollees, participants, or beneficiaries (at the time of enrollment and during an annual open season as provided under subsection (c)) the option of health insurance coverage or health benefits which provide for coverage of such services which are not furnished through health care professionals and providers who are members of such a network unless such enrollees, participants, or beneficiaries are offered such non-network coverage through another group health plan or through another health insurance issuer in the group market.

(b) ADDITIONAL COSTS.—The amount of any additional premium charged by the health insurance issuer or group health plan for the additional cost of the creation and maintenance of the option described in subsection (a) and the amount of any additional cost sharing imposed under such option shall be borne by the enrollee, participant, or beneficiary unless it is paid by the health plan sponsor or group health plan through agreement with the health insurance issuer.

(c) OPEN SEASON.—An enrollee, participant, or beneficiary, may change to the offering provided under this section only during a time period determined by the health insurance issuer or group health plan. Such time period shall occur at least annually.

SEC. 112. CHOICE OF HEALTH CARE PROFESSIONAL.

(a) PRIMARY CARE.—If a group health plan, or a health insurance issuer that offers health insurance coverage, requires or provides for designation by a participant, beneficiary, or enrollee of a participating primary care provider, then the plan or issuer shall permit each participant, beneficiary, and enrollee to designate any participating primary care provider who is available to accept such individual.

(b) SPECIALISTS.—

(1) IN GENERAL.—Subject to paragraph (2), a group health plan and a health insurance issuer that offers health insurance coverage shall permit each participant, beneficiary, or enrollee to receive medically necessary and appropriate specialty care, pursuant to appropriate referral procedures, from any qualified participating health care professional who is available to accept such individual for such care.

(2) LIMITATION.—Paragraph (1) shall not apply to specialty care if the plan or issuer clearly informs participants, beneficiaries, and enrollees of the limitations on choice of participating health care professionals with respect to such care.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed as affecting the application of section 114 (relating to access to specialty care).

SEC. 113. ACCESS TO EMERGENCY CARE.

(a) COVERAGE OF EMERGENCY SERVICES.—

(1) IN GENERAL.—If a group health plan, or health insurance coverage offered by a health insurance issuer, provides or covers any benefits with respect to services in an emergency department of a hospital, the plan or issuer shall cover emergency services (as defined in paragraph (2)(B))—

(A) without the need for any prior authorization determination;

(B) whether the health care provider furnishing such services is a participating provider with respect to such services;

(C) in a manner so that, if such services are provided to a participant, beneficiary, or enrollee—

(i) by a nonparticipating health care provider with or without prior authorization, or

(ii) by a participating health care provider without prior authorization,

the participant, beneficiary, or enrollee is not liable for amounts that exceed the amounts of liability that would be incurred if the services were provided by a participating health care provider with prior authorization; and

(D) without regard to any other term or condition of such coverage (other than exclusion or coordination of benefits, or an affiliation or waiting period, permitted under section 2701 of the Public Health Service Act, section 701 of the Employee Retirement Income Security Act of 1974, or section 9801 of the Internal Revenue Code of 1986, and other than applicable cost-sharing).

(2) DEFINITIONS.—In this section:

(A) EMERGENCY MEDICAL CONDITION.—The term ''emergency medical condition'' means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in a condition described in clause (i), (ii), or (iii) of section 1867(e)(1)(A) of the Social Security Act.

(B) EMERGENCY SERVICES.—The term ''emergency services'' means, with respect to an emergency medical condition—

(i) a medical screening examination (as required under section 1867 of the Social Security Act) that is within the capability of the emergency department of a hospital, including ancillary services routinely available to the emergency department to evaluate such emergency medical condition, and

(ii) within the capabilities of the staff and facilities available at the hospital, such further medical examination and treatment as are required under section 1867 of such Act to stabilize the patient.

(C) STABILIZE.—The term ''to stabilize'', with respect to an emergency medical condition (as defined in subparagraph (A)), has the meaning give in section 1867(e)(3) of the Social Security Act (42 U.S.C. 1395dd(e)(3)).

(b) REIMBURSEMENT FOR MAINTENANCE CARE AND POST-STABILIZATION CARE.—A group health plan, and health insurance coverage offered by a health insurance issuer, must provide reimbursement for maintenance care and post-stabilization care in accordance with the requirements of section 1852(d)(2) of the Social Security Act (42 U.S.C. 1395w–22(d)(2)). Such reimbursement shall be provided in a manner consistent with subsection (a)(1)(C).

(c) COVERAGE OF EMERGENCY AMBULANCE SERVICES.—

(1) IN GENERAL.—If a group health plan, or health insurance coverage provided by a health insurance issuer, provides any benefits with respect to ambulance services and emergency services, the plan or issuer shall cover emergency ambulance services (as defined in paragraph (2)) furnished under the plan or coverage under the same terms and conditions under subparagraphs (A) through (D) of subsection (a)(1) under which coverage is provided for emergency services.

(2) EMERGENCY AMBULANCE SERVICES.—For purposes of this subsection, the term ''emergency ambulance services'' means ambulance services (as defined for purposes of section 1861(s)(7) of the Social Security Act) furnished to transport an individual who has an emergency medical condition (as defined in subsection (a)(2)(A)) to a hospital for the receipt of emergency services (as defined in subsection (a)(2)(B)) in a case in which the emergency services are covered under the plan or coverage pursuant to subsection (a)(1) and a prudent layperson, with an average knowledge of health and medicine, could reasonably expect that the absence of such transport would result in placing the health of the individual in serious jeopardy, serious impairment of bodily function, or serious dysfunction of any bodily organ or part.

SEC. 114. TIMELY ACCESS TO SPECIALISTS.

(a) TIMELY ACCESS.—

(1) IN GENERAL.—A group health plan or health insurance issuer offering health insurance coverage shall ensure that participants, beneficiaries, and enrollees receive timely access to specialists who are appropriate to the condition of, and accessible to, the participant, beneficiary, or enrollee, when such specialty care is a covered benefit under the plan or coverage.

(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) shall be construed—

(A) to require the coverage under a group health plan or health insurance coverage of benefits or services;

(B) to prohibit a plan or issuer from including providers in the network only to the extent necessary to meet the needs of the plan's or issuer's participants, beneficiaries, or enrollees; or

(C) to override any State licensure or scope-of-practice law.

(3) ACCESS TO CERTAIN PROVIDERS.—

(A) IN GENERAL.—With respect to specialty care under this section, if a participating specialist is not available and qualified to provide such care to the participant, beneficiary, or enrollee, the plan or issuer shall provide for coverage of such care by a nonparticipating specialist.

(B) TREATMENT OF NONPARTICIPATING PROVIDERS.—If a participant, beneficiary, or enrollee receives care from a nonparticipating specialist pursuant to subparagraph (A), such specialty care shall be provided at no additional cost to the participant, beneficiary, or enrollee beyond what the participant, beneficiary, or enrollee would otherwise pay for such specialty care if provided by a participating specialist.

(b) REFERRALS.—

(1) AUTHORIZATION.—A group health plan or health insurance issuer may require an authorization in order to obtain coverage for specialty services under this section. Any such authorization—

(A) shall be for an appropriate duration of time or number of referrals; and

(B) may not be refused solely because the authorization involves services of a nonparticipating specialist (described in subsection (a)(3)).

(2) REFERRALS FOR ONGOING SPECIAL CONDITIONS.—

(A) IN GENERAL.—A group health plan or health insurance issuer shall permit a participant, beneficiary, or enrollee who has an ongoing special condition (as defined in subparagraph (B)) to receive a referral to a specialist for the treatment of such condition and such specialist may authorize such referrals, procedures, tests, and other medical services with respect to such condition, or coordinate the care for such condition, subject to the terms of a treatment plan (if any) referred to in subsection (c) with respect to the condition.

(B) ONGOING SPECIAL CONDITION DEFINED.—In this subsection, the term ''ongoing special condition'' means a condition or disease that—

(i) is life-threatening, degenerative, potentially disabling, or congenital; and

(ii) requires specialized medical care over a prolonged period of time.

(c) TREATMENT PLANS.—

(1) IN GENERAL.—A group health plan or health insurance issuer may require that the specialty care be provided—

(A) pursuant to a treatment plan, but only if the treatment plan—

(i) is developed by the specialist, in consultation with the case manager or primary care provider, and the participant, beneficiary, or enrollee, and

(ii) is approved by the plan or issuer in a timely manner, if the plan or issuer requires such approval; and

(B) in accordance with applicable quality assurance and utilization review standards of the plan or issuer.

(2) NOTIFICATION.—Nothing in paragraph (1) shall be construed as prohibiting a plan or issuer from requiring the specialist to provide the plan or issuer with regular updates on the specialty care provided, as well as all other reasonably necessary medical information.

(d) SPECIALIST DEFINED.—For purposes of this section, the term ''specialist'' means, with respect to the condition of the participant, beneficiary, or enrollee, a health care professional, facility, or center that has adequate expertise through appropriate training and experience (including, in the case of a child, appropriate pediatric expertise) to provide high quality care in treating the condition.

SEC. 115. PATIENT ACCESS TO OBSTETRIC AND GYNECOLOGICAL CARE.

(a) GENERAL RIGHTS.—

(1) DIRECT ACCESS.—A group health plan, or health insurance issuer offering health insurance coverage, described in subsection (b) may not require authorization or referral by the plan, issuer, or any person (including a primary care provider described in subsection (b)(2)) in the case of a female participant, beneficiary, or enrollee who seeks coverage for obstetrical or gynecological care provided by a participating health care professional who specializes in obstetrics or gynecology.

(2) OBSTETRICAL AND GYNECOLOGICAL CARE.—A group health plan or health insurance issuer described in subsection (b) shall treat the provision of obstetrical and gynecological care, and the ordering of related obstetrical and gynecological items and services, pursuant to the direct access described under paragraph (1), by a participating health care professional who specializes in obstetrics or gynecology as the authorization of the primary care provider.

(b) APPLICATION OF SECTION.—A group health plan, or health insurance issuer offering health insurance coverage, described in this subsection is a group health plan or coverage that—

(1) provides coverage for obstetric or gynecologic care; and

(2) requires the designation by a participant, beneficiary, or enrollee of a participating primary care provider.

(c) CONSTRUCTION.—Nothing in subsection (a) shall be construed to—

(1) waive any exclusions of coverage under the terms and conditions of the plan or health insurance coverage with respect to coverage of obstetrical or gynecological care; or

(2) preclude the group health plan or health insurance issuer involved from requiring that the obstetrical or gynecological provider notify the primary care health care professional or the plan or issuer of treatment decisions.

SEC. 116. ACCESS TO PEDIATRIC CARE.

(a) PEDIATRIC CARE.—In the case of a person who has a child who is a participant, beneficiary, or enrollee under a group health plan, or health insurance coverage offered by a health insurance issuer, if the plan or issuer requires or provides for the designation of a participating primary care provider for the child, the plan or issuer shall permit such person to designate a physician (allopathic or osteopathic) who specializes in pediatrics as the child's primary care provider if such provider participates in the network of the plan or issuer.

(b) CONSTRUCTION.—Nothing in subsection (a) shall be construed to waive any exclusions of coverage under the terms and conditions of the plan or health insurance coverage with respect to coverage of pediatric care.

SEC. 117. CONTINUITY OF CARE.

(a) TERMINATION OF PROVIDER.—

(1) IN GENERAL.—If—

(A) a contract between a group health plan, or a health insurance issuer offering health insurance coverage, and a treating health care provider is terminated (as defined in paragraph (e)(4)), or

(B) benefits or coverage provided by a health care provider are terminated because of a change in the terms of provider participation in such plan or coverage,

the plan or issuer shall meet the requirements of paragraph (3) with respect to each continuing care patient.

(2) TREATMENT OF TERMINATION OF CONTRACT WITH HEALTH INSURANCE ISSUER.—If a contract for the provision of health insurance coverage between a group health plan and a health insurance issuer is terminated and, as a result of such termination, coverage of services of a health care provider is terminated with respect to an individual, the provisions of paragraph (1) (and the succeeding provisions of this section) shall apply under the plan in the same manner as if there had been a contract between the plan and the provider that had been terminated, but only with respect to benefits that are covered under the plan after the contract termination.

(3) REQUIREMENTS.—The requirements of this paragraph are that the plan or issuer—

(A) notify the continuing care patient involved, or arrange to have the patient notified pursuant to subsection (d)(2), on a timely basis of the termination described in paragraph (1) (or paragraph (2), if applicable) and the right to elect continued transitional care from the provider under this section;

(B) provide the patient with an opportunity to notify the plan or issuer of the patient's need for transitional care; and

(C) subject to subsection (c), permit the patient to elect to continue to be covered with respect to the course of treatment by such provider with the provider's consent during a transitional period (as provided for under subsection (b)).

(4) CONTINUING CARE PATIENT.—For purposes of this section, the term ''continuing care patient'' means a participant, beneficiary, or enrollee who—

(A) is undergoing a course of treatment for a serious and complex condition from the provider at the time the plan or issuer receives or provides notice of provider, benefit, or coverage termination described in paragraph (1) (or paragraph (2), if applicable);

(B) is undergoing a course of institutional or inpatient care from the provider at the time of such notice;

(C) is scheduled to undergo non-elective surgery from the provider at the time of such notice;

(D) is pregnant and undergoing a course of treatment for the pregnancy from the provider at the time of such notice; or

(E) is or was determined to be terminally ill (as determined under section 1861(dd)(3)(A) of the Social Security Act) at the time of such notice, but only with respect to a provider that was treating the terminal illness before the date of such notice.

(b) TRANSITIONAL PERIODS.—

(1) SERIOUS AND COMPLEX CONDITIONS.—The transitional period under this subsection with respect to a continuing care patient described in subsection (a)(4)(A) shall extend for up to 90 days (as determined by the treating health care professional) from the date of the notice described in subsection (a)(3)(A).

(2) INSTITUTIONAL OR INPATIENT CARE.—The transitional period under this subsection for a continuing care patient described in subsection (a)(4)(B) shall extend until the earlier of—

(A) the expiration of the 90-day period beginning on the date on which the notice under subsection (a)(3)(A) is provided; or

(B) the date of discharge of the patient from such care or the termination of the period of institutionalization, or, if later, the date of completion of reasonable follow-up care.

(3) SCHEDULED NON-ELECTIVE SURGERY.—The transitional period under this subsection for a continuing care patient described in subsection (a)(4)(C) shall extend until the completion of the surgery involved and post-surgical follow-up care relating to the surgery and occurring within 90 days after the date of the surgery.

(4) PREGNANCY.—The transitional period under this subsection for a continuing care patient described in subsection (a)(4)(D) shall extend through the provision of post-partum care directly related to the delivery.

(5) TERMINAL ILLNESS.—The transitional period under this subsection for a continuing care patient described in subsection (a)(4)(E) shall extend for the remainder of the patient's life for care that is directly related to the treatment of the terminal illness or its medical manifestations.

(c) PERMISSIBLE TERMS AND CONDITIONS.—A group health plan or health insurance issuer may condition coverage of continued treatment by a provider under this section upon the provider agreeing to the following terms and conditions:

(1) The treating health care provider agrees to accept reimbursement from the plan or issuer and continuing care patient involved (with respect to cost-sharing) at the rates applicable prior to the start of the transitional period as payment in full (or, in the case described in subsection (a)(2), at the rates applicable under the replacement plan or coverage after the date of the termination of the contract with the group health plan or health insurance issuer) and not to impose cost-sharing with respect to the patient in an amount that would exceed the cost-sharing that could have been imposed if the contract referred to in subsection (a)(1) had not been terminated.

(2) The treating health care provider agrees to adhere to the quality assurance standards of the plan or issuer responsible for payment under paragraph (1) and to provide to such plan or issuer necessary medical information related to the care provided.

(3) The treating health care provider agrees otherwise to adhere to such plan's or issuer's policies and procedures, including procedures regarding referrals and obtaining prior authorization and providing services pursuant to a treatment plan (if any) approved by the plan or issuer.

(d) RULES OF CONSTRUCTION.—Nothing in this section shall be construed—

(1) to require the coverage of benefits which would not have been covered if the provider involved remained a participating provider; or

(2) with respect to the termination of a contract under subsection (a) to prevent a group health plan or health insurance issuer from requiring that the health care provider—

(A) notify participants, beneficiaries, or enrollees of their rights under this section; or

(B) provide the plan or issuer with the name of each participant, beneficiary, or enrollee who the provider believes is a continuing care patient.

(e) DEFINITIONS.—In this section:

(1) CONTRACT.—The term ''contract'' includes, with respect to a plan or issuer and a treating health care provider, a contract between such plan or issuer and an organized network of providers that includes the treating health care provider, and (in the case of such a contract) the contract between the treating health care provider and the organized network.

(2) HEALTH CARE PROVIDER.—The term ''health care provider'' or ''provider'' means—

(A) any individual who is engaged in the delivery of health care services in a State and who is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State; and

(B) any entity that is engaged in the delivery of health care services in a State and that, if it is required by State law or regulation to be licensed or certified by the State to engage in the delivery of such services in the State, is so licensed.

(3) SERIOUS AND COMPLEX CONDITION.—The term ''serious and complex condition'' means, with respect to a participant, beneficiary, or enrollee under the plan or coverage—

(A) in the case of an acute illness, a condition that is serious enough to require specialized medical treatment to avoid the reasonable possibility of death or permanent harm; or

(B) in the case of a chronic illness or condition, is an ongoing special condition (as defined in section 114(b)(2)(B)).

(4) TERMINATED.—The term ''terminated'' includes, with respect to a contract, the expiration or nonrenewal of the contract, but does not include a termination of the contract for failure to meet applicable quality standards or for fraud.

SEC. 118. ACCESS TO NEEDED PRESCRIPTION DRUGS.

(a) IN GENERAL.—To the extent that a group health plan, or health insurance coverage offered by a health insurance issuer, provides coverage for benefits with respect to prescription drugs, and limits such coverage to drugs included in a formulary, the plan or issuer shall—

(1) ensure the participation of physicians and pharmacists in developing and reviewing such formulary;

(2) provide for disclosure of the formulary to providers; and

(3) in accordance with the applicable quality assurance and utilization review standards of the plan or issuer, provide for exceptions from the formulary limitation when a non-formulary alternative is medically necessary and appropriate and, in the case of such an exception, apply the same cost-sharing requirements that would have applied in the case of a drug covered under the formulary.

(b) COVERAGE OF APPROVED DRUGS AND MEDICAL DEVICES.—

(1) IN GENERAL.—A group health plan (or health insurance coverage offered in connection with such a plan) that provides any coverage of prescription drugs or medical devices shall not deny coverage of such a drug or device on the basis that the use is investigational, if the use—

(A) in the case of a prescription drug—

(i) is included in the labeling authorized by the application in effect for the drug pursuant to subsection (b) or (j) of section 505 of the Federal Food, Drug, and Cosmetic Act, without regard to any postmarketing requirements that may apply under such Act; or

(ii) is included in the labeling authorized by the application in effect for the drug under section 351 of the Public Health Service Act, without regard to any postmarketing requirements that may apply pursuant to such section; or

(B) in the case of a medical device, is included in the labeling authorized by a regulation under subsection (d) or (3) of section 513 of the Federal Food, Drug, and Cosmetic Act, an order under subsection (f) of such section, or an application approved under section 515 of such Act, without regard to any postmarketing requirements that may apply under such Act.

(2) CONSTRUCTION.—Nothing in this subsection shall be construed as requiring a group health plan (or health insurance coverage offered in connection with such a plan) to provide any coverage of prescription drugs or medical devices.

SEC. 119. COVERAGE FOR INDIVIDUALS PARTICIPATING IN APPROVED CLINICAL TRIALS.

(a) COVERAGE.—

(1) IN GENERAL.—If a group health plan, or health insurance issuer that is providing health insurance coverage, provides coverage to a qualified individual (as defined in subsection (b)), the plan or issuer—

(A) may not deny the individual participation in the clinical trial referred to in subsection (b)(2);

(B) subject to subsection (c), may not deny (or limit or impose additional conditions on) the coverage of routine patient costs for items and services furnished in connection with participation in the trial; and

(C) may not discriminate against the individual on the basis of the enrollee's participation in such trial.

(2) EXCLUSION OF CERTAIN COSTS.—For purposes of paragraph (1)(B), routine patient costs do not include the cost of the tests or measurements conducted primarily for the purpose of the clinical trial involved.

(3) USE OF IN-NETWORK PROVIDERS.—If one or more participating providers is participating in a clinical trial, nothing in paragraph (1) shall be construed as preventing a plan or issuer from requiring that a qualified individual participate in the trial through such a participating provider if the provider will accept the individual as a participant in the trial.

(b) QUALIFIED INDIVIDUAL DEFINED.—For purposes of subsection (a), the term ''qualified individual'' means an individual who is a participant or beneficiary in a group health plan, or who is an enrollee under health insurance coverage, and who meets the following conditions:

(1)(A) The individual has a life-threatening or serious illness for which no standard treatment is effective.

(B) The individual is eligible to participate in an approved clinical trial according to the trial protocol with respect to treatment of such illness.

(C) The individual's participation in the trial offers meaningful potential for significant clinical benefit for the individual.

(2) Either—

(A) the referring physician is a participating health care professional and has concluded that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1); or

(B) the participant, beneficiary, or enrollee provides medical and scientific information establishing that the individual's participation in such trial would be appropriate based upon the individual meeting the conditions described in paragraph (1).

(c) PAYMENT.—

(1) IN GENERAL.—Under this section a group health plan or health insurance issuer shall provide for payment for routine patient costs described in subsection (a)(2) but is not required to pay for costs of items and services that are reasonably expected (as determined by the appropriate Secretary) to be paid for by the sponsors of an approved clinical trial.

(2) PAYMENT RATE.—In the case of covered items and services provided by—

(A) a participating provider, the payment rate shall be at the agreed upon rate; or

(B) a nonparticipating provider, the payment rate shall be at the rate the plan or issuer would normally pay for comparable services under subparagraph (A).

(d) APPROVED CLINICAL TRIAL DEFINED.—

(1) IN GENERAL.—In this section, the term ''approved clinical trial'' means a clinical research study or clinical investigation approved and funded (which may include funding through in-kind contributions) by one or more of the following:

(A) The National Institutes of Health.

(B) A cooperative group or center of the National Institutes of Health.

(C) The Food and Drug Administration.

(D) Either of the following if the conditions described in paragraph (2) are met:

(i) The Department of Veterans Affairs.

(ii) The Department of Defense.

(2) CONDITIONS FOR DEPARTMENTS.—The conditions described in this paragraph, for a study or investigation conducted by a Department, are that the study or investigation has been reviewed and approved through a system of peer review that the appropriate Secretary determines—

(A) to be comparable to the system of peer review of studies and investigations used by the National Institutes of Health; and

(B) assures unbiased review of the highest scientific standards by qualified individuals who have no interest in the outcome of the review.

(e) CONSTRUCTION.—Nothing in this section shall be construed to limit a plan's or issuer's coverage with respect to clinical trials.

SEC. 120. REQUIRED COVERAGE FOR MINIMUM HOSPITAL STAY FOR MASTECTOMIES AND LYMPH NODE DISSECTIONS FOR THE TREATMENT OF BREAST CANCER AND COVERAGE FOR SECONDARY CONSULTATIONS.

(a) INPATIENT CARE.—

(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage, that provides medical and surgical benefits shall ensure that inpatient coverage with respect to the treatment of breast cancer is provided for a period of time as is determined by the attending physician, in consultation with the patient, to be medically necessary and appropriate following—

(A) a mastectomy;

(B) a lumpectomy; or

(C) a lymph node dissection for the treatment of breast cancer.

(2) EXCEPTION.—Nothing in this section shall be construed as requiring the provision of inpatient coverage if the attending physician and patient determine that a shorter period of hospital stay is medically appropriate.

(b) PROHIBITION ON CERTAIN MODIFICATIONS.—In implementing the requirements of this section, a group health plan, and a health insurance issuer providing health insurance coverage, may not modify the terms and conditions of coverage based on the determination by a participant, beneficiary, or enrollee to request less than the minimum coverage required under subsection (a).

(c) SECONDARY CONSULTATIONS.—

(1) IN GENERAL.—A group health plan, and a health insurance issuer providing health insurance coverage, that provides coverage with respect to medical and surgical services provided in relation to the diagnosis and treatment of cancer shall ensure that full coverage is provided for secondary consultations by specialists in the appropriate medical fields (including pathology, radiology, and oncology) to confirm or refute such diagnosis. Such plan or issuer shall ensure that full coverage is provided for such secondary consultation whether such consultation is based on a positive or negative initial diagnosis. In any case in which the attending physician certifies in writing that services necessary for such a secondary consultation are not sufficiently available from specialists operating under the plan or coverage with respect to whose services coverage is otherwise provided under such plan or by such issuer, such plan or issuer shall ensure that coverage is provided with respect to the services necessary for the secondary consultation with any other specialist selected by the attending physician for such purpose at no additional cost to the individual beyond that which the individual would have paid if the specialist was participating in the network of the plan or issuer.

(2) EXCEPTION.—Nothing in paragraph (1) shall be construed as requiring the provision of secondary consultations where the patient determines not to seek such a consultation.

(d) PROHIBITION ON PENALTIES OR INCENTIVES.—A group health plan, and a health insurance issuer providing health insurance coverage, may not—

(1) penalize or otherwise reduce or limit the reimbursement of a provider or specialist because the provider or specialist provided care to a participant, beneficiary, or enrollee in accordance with this section;

(2) provide financial or other incentives to a physician or specialist to induce the physician or specialist to keep the length of inpatient stays of patients following a mastectomy, lumpectomy, or a lymph node dissection for the treatment of breast cancer below certain limits or to limit referrals for secondary consultations; or

(3) provide financial or other incentives to a physician or specialist to induce the physician or specialist to refrain from referring a

participant, beneficiary, or enrollee for a secondary consultation that would otherwise be covered by the plan or coverage involved under subsection (c).

Subtitle C—Access to Information

SEC. 121. PATIENT ACCESS TO INFORMATION.

(a) REQUIREMENT.—

(1) DISCLOSURE.—

(A) IN GENERAL.—A group health plan, and a health insurance issuer that provides coverage in connection with health insurance coverage, shall provide for the disclosure to participants, beneficiaries, and enrollees—

(i) of the information described in subsection (b) at the time of the initial enrollment of the participant, beneficiary, or enrollee under the plan or coverage;

(ii) of such information on an annual basis—

(I) in conjunction with the election period of the plan or coverage if the plan or coverage has such an election period; or

(II) in the case of a plan or coverage that does not have an election period, in conjunction with the beginning of the plan or coverage year; and

(iii) of information relating to any material reduction to the benefits or information described in such subsection or subsection (c), in the form of a notice provided not later than 30 days before the date on which the reduction takes effect.

(B) PARTICIPANTS, BENEFICIARIES, AND ENROLLEES.—The disclosure required under subparagraph (A) shall be provided—

(i) jointly to each participant, beneficiary, and enrollee who reside at the same address; or

(ii) in the case of a beneficiary or enrollee who does not reside at the same address as the participant or another enrollee, separately to the participant or other enrollees and such beneficiary or enrollee.

(2) PROVISION OF INFORMATION.—Information shall be provided to participants, beneficiaries, and enrollees under this section at the last known address maintained by the plan or issuer with respect to such participants, beneficiaries, or enrollees, to the extent that such information is provided to participants, beneficiaries, or enrollees via the United States Postal Service or other private delivery service.

(b) REQUIRED INFORMATION.—The informational materials to be distributed under this section shall include for each option available under the group health plan or health insurance coverage the following:

(1) BENEFITS.—A description of the covered benefits, including—

(A) any in- and out-of-network benefits;

(B) specific preventive services covered under the plan or coverage if such services are covered;

(C) any specific exclusions or express limitations of benefits described in section 104(b)(3)(C);

(D) any other benefit limitations, including any annual or lifetime benefit limits and any monetary limits or limits on the number of visits, days, or services, and any specific coverage exclusions; and

(E) any definition of medical necessity used in making coverage determinations by the plan, issuer, or claims administrator.

(2) COST SHARING.—A description of any cost-sharing requirements, including—

(A) any premiums, deductibles, coinsurance, copayment amounts, and liability for balance billing, for which the participant, beneficiary, or enrollee will be responsible under each option available under the plan;

(B) any maximum out-of-pocket expense for which the participant, beneficiary, or enrollee may be liable;

(C) any cost-sharing requirements for out-of-network benefits or services received from nonparticipating providers; and

(D) any additional cost-sharing or charges for benefits and services that are furnished without meeting applicable plan or coverage requirements, such as prior authorization or precertification.

(3) SERVICE AREA.—A description of the plan or issuer's service area, including the provision of any out-of-area coverage.

(4) PARTICIPATING PROVIDERS.—A directory of participating providers (to the extent a plan or issuer provides coverage through a network of providers) that includes, at a minimum, the name, address, and telephone number of each participating provider, and information about how to inquire whether a participating provider is currently accepting new patients.

(5) CHOICE OF PRIMARY CARE PROVIDER.—A description of any requirements and procedures to be used by participants, beneficiaries, and enrollees in selecting, accessing, or changing their primary care provider, including providers both within and outside of the network (if the plan or issuer permits out-of-network services), and the right to select a pediatrician as a primary care provider under section 116 for a participant, beneficiary, or enrollee who is a child if such section applies.

(6) PREAUTHORIZATION REQUIREMENTS.—A description of the requirements and procedures to be used to obtain preauthorization for health services, if such preauthorization is required.

(7) EXPERIMENTAL AND INVESTIGATIONAL TREATMENTS.—A description of the process for determining whether a particular item, service, or treatment is considered experimental or investigational, and the circumstances under which such treatments are covered by the plan or issuer.

(8) SPECIALTY CARE.—A description of the requirements and procedures to be used by participants, beneficiaries, and enrollees in accessing specialty care and obtaining referrals to participating and nonparticipating specialists, including any limitations on choice of health care professionals referred to in section 112(b)(2) and the right to timely access to specialists care under section 114 if such section applies.

(9) CLINICAL TRIALS.—A description of the circumstances and conditions under which participation in clinical trials is covered under the terms and conditions of the plan or coverage, and the right to obtain coverage for approved clinical trials under section 119 if such section applies.

(10) PRESCRIPTION DRUGS.—To the extent the plan or issuer provides coverage for prescription drugs, a statement of whether such coverage is limited to drugs included in a formulary, a description of any provisions and cost-sharing required for obtaining on- and off-formulary medications, and a description of the rights of participants, beneficiaries, and enrollees in obtaining access to access to prescription drugs under section 118 if such section applies.

(11) EMERGENCY SERVICES.—A summary of the rules and procedures for accessing emergency services, including the right of a participant, beneficiary, or enrollee to obtain emergency services under the prudent layperson standard under section 113, if such section applies, and any educational information that the plan or issuer may provide regarding the appropriate use of emergency services.

(12) CLAIMS AND APPEALS.—A description of the plan or issuer's rules and procedures pertaining to claims and appeals, a description of the rights (including deadlines for exercising rights) of participants, beneficiaries, and enrollees under subtitle A in obtaining covered benefits, filing a claim for benefits, and appealing coverage decisions internally and externally (including telephone numbers and mailing addresses of the appropriate authority), and a description of any additional legal rights and remedies available under section 502 of the Employee Retirement Income Security Act of 1974 and applicable State law.

(13) ADVANCE DIRECTIVES AND ORGAN DONATION.—A description of procedures for advance directives and organ donation decisions if the plan or issuer maintains such procedures.

(14) INFORMATION ON PLANS AND ISSUERS.—The name, mailing address, and telephone number or numbers of the plan administrator and the issuer to be used by participants, beneficiaries, and enrollees seeking information about plan or coverage benefits and services, payment of a claim, or authorization for services and treatment. Notice of whether the benefits under the plan or coverage are provided under a contract or policy of insurance issued by an issuer, or whether benefits are provided directly by the plan sponsor who bears the insurance risk.

(15) TRANSLATION SERVICES.—A summary description of any translation or interpretation services (including the availability of printed information in languages other than English, audio tapes, or information in Braille) that are available for non-English speakers and participants, beneficiaries, and enrollees with communication disabilities and a description of how to access these items or services.

(16) ACCREDITATION INFORMATION.—Any information that is made public by accrediting organizations in the process of accreditation if the plan or issuer is accredited, or any additional quality indicators (such as the results of enrollee satisfaction surveys) that the plan or issuer makes public or makes available to participants, beneficiaries, and enrollees.

(17) NOTICE OF REQUIREMENTS.—A description of any rights of participants, beneficiaries, and enrollees that are established by the Bipartisan Patient Protection Act of 2001 (excluding those described in paragraphs (1) through (16)) if such sections apply. The description required under this paragraph may be combined with the notices of the type described in sections 711(d), 713(b), or 606(a)(1) of the Employee Retirement Income Security Act of 1974 and with any other notice provision that the appropriate Secretary determines may be combined, so long as such combination does not result in any reduction in the information that would otherwise be provided to the recipient.

(18) AVAILABILITY OF ADDITIONAL INFORMATION.—A statement that the information described in subsection (c), and instructions on obtaining such information (including telephone numbers and, if available, Internet websites), shall be made available upon request.

(c) ADDITIONAL INFORMATION.—The informational materials to be provided upon the request of a participant, beneficiary, or enrollee shall include for each option available under a group health plan or health insurance coverage the following:

(1) STATUS OF PROVIDERS.—The State licensure status of the plan or issuer's participating health care professionals and participating health care facilities, and, if available, the education, training, specialty qualifications or certifications of such professionals.

(2) COMPENSATION METHODS.—A summary description by category of the applicable methods (such as capitation, fee-for-service, salary, bundled payments, per diem, or a combination thereof) used for compensating prospective or treating health care professionals (including primary care providers and specialists) and facilities in connection with the provision of health care under the plan or coverage.

(3) PRESCRIPTION DRUGS.—Information about whether a specific prescription medication is included in the formulary of the plan or issuer, if the plan or issuer uses a defined formulary.

(4) EXTERNAL APPEALS INFORMATION.—Aggregate information on the number and outcomes of external medical reviews, relative to the sample size (such as the number of covered lives) under the plan or under the coverage of the issuer.

(d) MANNER OF DISCLOSURE.—The information described in this section shall be disclosed in an accessible medium and format that is calculated to be understood by an average participant or enrollee.

(e) RULES OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit a group health plan, or a health insurance issuer in connection with health insurance coverage, from—

(1) distributing any other additional information determined by the plan or issuer to be important or necessary in assisting participants, beneficiaries, and enrollees in the selection of a health plan or health insurance coverage; and

(2) complying with the provisions of this section by providing information in brochures, through the Internet or other electronic media, or through other similar means, so long as—

(A) the disclosure of such information in such form is in accordance with requirements as the appropriate Secretary may impose, and

(B) in connection with any such disclosure of information through the Internet or other electronic media—

(i) the recipient has affirmatively consented to the disclosure of such information in such form,

(ii) the recipient is capable of accessing the information so disclosed on the recipient's individual workstation or at the recipient's home,

(iii) the recipient retains an ongoing right to receive paper disclosure of such information and receives, in advance of any attempt at disclosure of such information to him or her through the Internet or other electronic media, notice in printed form of such ongoing right and of the proper software required to view information so disclosed, and

(iv) the plan administrator appropriately ensures that the intended recipient is receiving the information so disclosed and provides the information in printed form if the information is not received.

Subtitle D—Protecting the Doctor-Patient Relationship

SEC. 131. PROHIBITION OF INTERFERENCE WITH CERTAIN MEDICAL COMMUNICATIONS.

(a) GENERAL RULE.—The provisions of any contract or agreement, or the operation of any contract or agreement, between a group health plan or health insurance issuer in relation to health insurance coverage (including any partnership, association, or other organization that enters into or administers such a contract or agreement) and a health care provider (or group of health care providers) shall not prohibit or otherwise restrict a health care professional from advising such a participant, beneficiary, or enrollee who is a patient of the professional about the health status of the individual or medical care or treatment for the individual's condition or disease, regardless of whether benefits for such care or treatment are provided under the plan or coverage, if the professional is acting within the lawful scope of practice.

(b) NULLIFICATION.—Any contract provision or agreement that restricts or prohibits medical communications in violation of subsection (a) shall be null and void.

SEC. 132. PROHIBITION OF DISCRIMINATION AGAINST PROVIDERS BASED ON LICENSURE.

(a) IN GENERAL.—A group health plan, and a health insurance issuer with respect to health insurance coverage, shall not discriminate with respect to participation or indemnification as to any provider who is acting within the scope of the provider's license or certification under applicable State law, solely on the basis of such license or certification.

(b) CONSTRUCTION.—Subsection (a) shall not be construed—

(1) as requiring the coverage under a group health plan or health insurance coverage of a particular benefit or service or to prohibit a plan or issuer from including providers only to the extent necessary to meet the needs of the plan's or issuer's participants, beneficiaries, or enrollees or from establishing any measure designed to maintain quality and control costs consistent with the responsibilities of the plan or issuer;

(2) to override any State licensure or scope-of-practice law; or

(3) as requiring a plan or issuer that offers network coverage to include for participation every willing provider who meets the terms and conditions of the plan or issuer.

SEC. 133. PROHIBITION AGAINST IMPROPER INCENTIVE ARRANGEMENTS.

(a) IN GENERAL.—A group health plan and a health insurance issuer offering health insurance coverage may not operate any physician incentive plan (as defined in subparagraph (B) of section 1876(i)(8) of the Social Security Act) unless the requirements described in clauses (i), (ii)(I), and (iii) of subparagraph (A) of such section are met with respect to such a plan.

(b) APPLICATION.—For purposes of carrying out paragraph (1), any reference in section 1876(i)(8) of the Social Security Act to the Secretary, an eligible organization, or an individual enrolled with the organization shall be treated as a reference to the applicable authority, a group health plan or health insurance issuer, respectively, and a participant, beneficiary, or enrollee with the plan or organization, respectively.

(c) CONSTRUCTION.—Nothing in this section shall be construed as prohibiting all capitation and similar arrangements or all provider discount arrangements.

SEC. 134. PAYMENT OF CLAIMS.

A group health plan, and a health insurance issuer offering group health insurance coverage, shall provide for prompt payment of claims submitted for health care services or supplies furnished to a participant, beneficiary, or enrollee with respect to benefits covered by the plan or issuer, in a manner consistent with the provisions of section 1842(c)(2) of the Social Security Act (42 U.S.C. 1395u(c)(2)).

SEC. 135. PROTECTION FOR PATIENT ADVOCACY.

(a) PROTECTION FOR USE OF UTILIZATION REVIEW AND GRIEVANCE PROCESS.—A group health plan, and a health insurance issuer with respect to the provision of health insurance coverage, may not retaliate against a participant, beneficiary, enrollee, or health care provider based on the participant's, beneficiary's, enrollee's or provider's use of, or participation in, a utilization review process or a grievance process of the plan or issuer (including an internal or external review or appeal process) under this title.

(b) PROTECTION FOR QUALITY ADVOCACY BY HEALTH CARE PROFESSIONALS.—

(1) IN GENERAL.—A group health plan or health insurance issuer may not retaliate or discriminate against a protected health care professional because the professional in good faith—

(A) discloses information relating to the care, services, or conditions affecting one or more participants, beneficiaries, or enrollees of the plan or issuer to an appropriate public regulatory agency, an appropriate private accreditation body, or appropriate management personnel of the plan or issuer; or

(B) initiates, cooperates, or otherwise participates in an investigation or proceeding by such an agency with respect to such care, services, or conditions.

If an institutional health care provider is a participating provider with such a plan or issuer or otherwise receives payments for benefits provided by such a plan or issuer, the provisions of the previous sentence shall apply to the provider in relation to care, services, or conditions affecting one or more patients within an institutional health care provider in the same manner as they apply to the plan or issuer in relation to care, services, or conditions provided to one or more participants, beneficiaries, or enrollees; and for purposes of applying this sentence, any reference to a plan or issuer is deemed a reference to the institutional health care provider.

(2) GOOD FAITH ACTION.—For purposes of paragraph (1), a protected health care professional is considered to be acting in good faith with respect to disclosure of information or participation if, with respect to the information disclosed as part of the action—

(A) the disclosure is made on the basis of personal knowledge and is consistent with that degree of learning and skill ordinarily possessed by health care professionals with the same licensure or certification and the same experience;

(B) the professional reasonably believes the information to be true;

(C) the information evidences either a violation of a law, rule, or regulation, of an applicable accreditation standard, or of a generally recognized professional or clinical standard or that a patient is in imminent hazard of loss of life or serious injury; and

(D) subject to subparagraphs (B) and (C) of paragraph (3), the professional has followed reasonable internal procedures of the plan, issuer, or institutional health care provider established for the purpose of addressing quality concerns before making the disclosure.

(3) EXCEPTION AND SPECIAL RULE.—

(A) GENERAL EXCEPTION.—Paragraph (1) does not protect disclosures that would violate Federal or State law or diminish or impair the rights of any person to the continued protection of confidentiality of communications provided by such law.

(B) NOTICE OF INTERNAL PROCEDURES.—Subparagraph (D) of paragraph (2) shall not apply unless the internal procedures involved are reasonably expected to be known to the health care professional involved. For purposes of this subparagraph, a health care professional is reasonably expected to know of internal procedures if those procedures have been made available to the professional through distribution or posting.

(C) INTERNAL PROCEDURE EXCEPTION.—Subparagraph (D) of paragraph (2) also shall not apply if—

(i) the disclosure relates to an imminent hazard of loss of life or serious injury to a patient;

(ii) the disclosure is made to an appropriate private accreditation body pursuant to disclosure procedures established by the body; or

(iii) the disclosure is in response to an inquiry made in an investigation or proceeding of an appropriate public regulatory agency and the information disclosed is limited to the scope of the investigation or proceeding.

(4) ADDITIONAL CONSIDERATIONS.—It shall not be a violation of paragraph (1) to take an adverse action against a protected health care professional if the plan, issuer, or provider taking the adverse action involved demonstrates that it would have taken the same adverse action even in the absence of the activities protected under such paragraph.

(5) NOTICE.—A group health plan, health insurance issuer, and institutional health care provider shall post a notice, to be provided or approved by the Secretary of Labor, setting forth excerpts from, or summaries of, the pertinent provisions of this subsection and information pertaining to enforcement of such provisions.

(6) CONSTRUCTIONS.—

(A) DETERMINATIONS OF COVERAGE.—Nothing in this subsection shall be construed to prohibit a plan or issuer from making a determination not to pay for a particular medical treatment or service or the services of a type of health care professional.

(B) ENFORCEMENT OF PEER REVIEW PROTOCOLS AND INTERNAL PROCEDURES.—Nothing in this subsection shall be construed to prohibit a plan, issuer, or provider from establishing and enforcing reasonable peer review or utilization review protocols or determining whether a protected health care professional has complied with those protocols or from establishing and enforcing internal procedures for the purpose of addressing quality concerns.

(C) RELATION TO OTHER RIGHTS.—Nothing in this subsection shall be construed to abridge rights of participants, beneficiaries, enrollees, and protected health care professionals under other applicable Federal or State laws.

(7) PROTECTED HEALTH CARE PROFESSIONAL DEFINED.—For purposes of this subsection, the term ''protected health care professional'' means an individual who is a licensed or certified health care professional and who—

(A) with respect to a group health plan or health insurance issuer, is an employee of the plan or issuer or has a contract with the plan or issuer for provision of services for which benefits are available under the plan or issuer; or

(B) with respect to an institutional health care provider, is an employee of the provider or has a contract or other arrangement with the provider respecting the provision of health care services.

Subtitle E—Definitions

SEC. 151. DEFINITIONS.

(a) INCORPORATION OF GENERAL DEFINITIONS.—Except as otherwise provided, the provisions of section 2791 of the Public Health Service Act shall apply for purposes of this title in the same manner as they apply for purposes of title XXVII of such Act.

(b) SECRETARY.—Except as otherwise provided, the term ''Secretary'' means the Secretary of Health and Human Services, in consultation with the Secretary of Labor and the term ''appropriate Secretary'' means the Secretary of Health and Human Services in relation to carrying out this title under sections 2706 and 2751 of the Public Health Service Act and the Secretary of Labor in relation to carrying out this title under section 713 of the Employee Retirement Income Security Act of 1974.

(c) ADDITIONAL DEFINITIONS.—For purposes of this title:

(1) APPLICABLE AUTHORITY.—The term ''applicable authority'' means—

(A) in the case of a group health plan, the Secretary of Health and Human Services and the Secretary of Labor; and

(B) in the case of a health insurance issuer with respect to a specific provision of this title, the applicable State authority (as defined in section 2791(d) of the Public Health Service Act), or the Secretary of Health and Human Services, if such Secretary is enforcing such provision under section 2722(a)(2) or 2761(a)(2) of the Public Health Service Act.

(2) ENROLLEE.—The term ''enrollee'' means, with respect to health insurance coverage offered by a health insurance issuer, an individual enrolled with the issuer to receive such coverage.

(3) GROUP HEALTH PLAN.—The term ''group health plan'' has the meaning given such term in section 733(a) of the Employee Retirement Income Security Act of 1974, except that such term includes a employee welfare benefit plan treated as a group health plan under section 732(d) of such Act or defined as such a plan under section 607(1) of such Act.

(4) HEALTH CARE PROFESSIONAL.—The term ''health care professional'' means an individual who is licensed, accredited, or certified under State law to provide specified health care services and who is operating within the scope of such licensure, accreditation, or certification.

(5) HEALTH CARE PROVIDER.—The term ''health care provider'' includes a physician or other health care professional, as well as an institutional or other facility or agency that provides health care services and that is licensed, accredited, or certified to provide health care items and services under applicable State law.

(6) NETWORK.—The term ''network'' means, with respect to a group health plan or health insurance issuer offering health insurance coverage, the participating health care professionals and providers through whom the plan or issuer provides health care items and services to participants, beneficiaries, or enrollees.

(7) NONPARTICIPATING.—The term ''nonparticipating'' means, with respect to a health care provider that provides health care items and services to a participant, beneficiary, or enrollee under group health plan or health insurance coverage, a health care provider that is not a participating health care provider with respect to such items and services.

(8) PARTICIPATING.—The term ''participating'' means, with respect to a health care provider that provides health care items and services to a participant, beneficiary, or enrollee under group health plan or health insurance coverage offered by a health insurance issuer, a health care provider that furnishes such items and services under a contract or other arrangement with the plan or issuer.

(9) PRIOR AUTHORIZATION.—The term ''prior authorization'' means the process of obtaining prior approval from a health insurance issuer or group health plan for the provision or coverage of medical services.

(10) TERMS AND CONDITIONS.—The term ''terms and conditions'' includes, with respect to a group health plan or health insurance coverage, requirements imposed under this title with respect to the plan or coverage.

SEC. 152. PREEMPTION; STATE FLEXIBILITY; CONSTRUCTION.

(a) CONTINUED APPLICABILITY OF STATE LAW WITH RESPECT TO HEALTH INSURANCE ISSUERS.—

(1) IN GENERAL.—Subject to paragraph (2), this title shall not be construed to supersede any provision of State law which establishes, implements, or continues in effect any standard or requirement solely relating to health insurance issuers (in connection with group health insurance coverage or otherwise) except to the extent that such standard or requirement prevents the application of a requirement of this title.

(2) CONTINUED PREEMPTION WITH RESPECT TO GROUP HEALTH PLANS.—Nothing in this title shall be construed to affect or modify the provisions of section 514 of the Employee Retirement Income Security Act of 1974 with respect to group health plans.

(3) CONSTRUCTION.—In applying this section, a State law that provides for equal access to, and availability of, all categories of licensed health care providers and services shall not be treated as preventing the application of any requirement of this title.

(b) APPLICATION OF SUBSTANTIALLY EQUIVALENT STATE LAWS.—

(1) IN GENERAL.—In the case of a State law that imposes, with respect to health insurance coverage offered by a health insurance issuer and with respect to a group health plan that is a non-Federal governmental plan, a requirement that is substantially equivalent (within the meaning of subsection (c)) to a patient protection requirement (as defined in paragraph (3)) and does not prevent the application of other requirements under this division (except in the case of other substantially equivalent requirements), in applying the requirements of this title under section 2707 and 2753 (as applicable) of the Public Health Service Act (as added by title II), subject to subsection (a)(2)—

(A) the State law shall not be treated as being superseded under subsection (a); and

(B) the State law shall apply instead of the patient protection requirement otherwise applicable with respect to health insurance coverage and non-Federal governmental plans.

(2) LIMITATION.—In the case of a group health plan covered under title I of the Employee Retirement Income Security Act of 1974, paragraph (1) shall be construed to apply only with respect to the health insurance coverage (if any) offered in connection with the plan.

(3) PATIENT PROTECTION REQUIREMENT DEFINED.—For purposes of this section, the term ''patient protection requirement'' means a requirement under this title, and includes (as a single requirement) a group or related set of requirements under a section or similar unit under this title.

(c) DETERMINATIONS OF SUBSTANTIAL EQUIVALENCE.—

(1) CERTIFICATION BY STATES.—A State may submit to the Secretary a certification that a State law provides for patient protections that are at least substantially equivalent to one or more patient protection requirements. Such certification shall be accompanied by such information as may be required to permit the Secretary to make the determination described in paragraph (2)(A).

(2) REVIEW.—

(A) IN GENERAL.—The Secretary shall promptly review a certification submitted under paragraph (1) with respect to a State law to determine if the State law provides for at least substantially equivalent and effective patient protections to the patient protection requirement (or requirements) to which the law relates.

(B) APPROVAL DEADLINES.—

(i) INITIAL REVIEW.—Such a certification is considered approved unless the Secretary notifies the State in writing, within 90 days after the date of receipt of the certification, that the certification is disapproved (and the reasons for disapproval) or that specified additional information is needed to make the determination described in subparagraph (A).

(ii) ADDITIONAL INFORMATION.—With respect to a State that has been notified by the Secretary under clause (i) that specified additional information is needed to make the determination described in subparagraph (A), the Secretary shall make the determination within 60 days after the date on which such specified additional information is received by the Secretary.

(3) APPROVAL.—

(A) IN GENERAL.—The Secretary shall approve a certification under paragraph (1) unless—

(i) the State fails to provide sufficient information to enable the Secretary to make a determination under paragraph (2)(A); or

(ii) the Secretary determines that the State law involved does not provide for patient protections that are at least substantially equivalent to and as effective as the patient protection requirement (or requirements) to which the law relates.

(B) STATE CHALLENGE.—A State that has a certification disapproved by the Secretary under subparagraph (A) may challenge such disapproval in the appropriate United States district court.

(4) CONSTRUCTION.—Nothing in this subsection shall be construed as preventing the certification (and approval of certification) of a State law under this subsection solely because it provides for greater protections for patients than those protections otherwise required to establish substantial equivalence.

(d) DEFINITIONS.—For purposes of this section:

(1) STATE LAW.—The term ''State law'' includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State. A law of the United States applicable only to the District of Columbia shall be treated as a State law rather than a law of the United States.

(2) STATE.—The term ''State'' includes a State, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any political subdivisions of such, or any agency or instrumentality of such.

SEC. 153. EXCLUSIONS.

(a) NO BENEFIT REQUIREMENTS.—Nothing in this title shall be construed to require a group health plan or a health insurance issuer offering health insurance coverage to include specific items and services under the terms of such a plan or coverage, other than those provided under the terms and conditions of such plan or coverage.

(b) EXCLUSION FROM ACCESS TO CARE MANAGED CARE PROVISIONS FOR FEE-FOR-SERVICE COVERAGE.—

(1) IN GENERAL.—The provisions of sections 111 through 117 shall not apply to a group health plan or health insurance coverage if the only coverage offered under the plan or coverage is fee-for-service coverage (as defined in paragraph (2)).

(2) FEE-FOR-SERVICE COVERAGE DEFINED.—For purposes of this subsection, the term ''fee-for-service coverage'' means coverage under a group health plan or health insurance coverage that—

(A) reimburses hospitals, health professionals, and other providers on a fee-for-service basis without placing the provider at financial risk;

(B) does not vary reimbursement for such a provider based on an agreement to contract terms and conditions or the utilization of health care items or services relating to such provider;

(C) allows access to any provider that is lawfully authorized to provide the covered services and that agrees to accept the terms and conditions of payment established under the plan or by the issuer; and

(D) for which the plan or issuer does not require prior authorization before providing for any health care services.

SEC. 154. COVERAGE OF LIMITED SCOPE PLANS.

Only for purposes of applying the requirements of this title under sections 2707 and 2753 of the Public Health Service Act and section 714 of the Employee Retirement Income Security Act of 1974, section 2791(c)(2)(A), and section 733(c)(2)(A) of the Employee Retirement Income Security Act of 1974 shall be deemed not to apply.

SEC. 155. REGULATIONS.

The Secretaries of Health and Human Services and Labor shall issue such regulations as may be necessary or appropriate to carry out this title. Such regulations shall be issued consistent with section 104 of Health Insurance Portability and Accountability Act of 1996. Such Secretaries may promulgate any interim final rules as the Secretaries determine are appropriate to carry out this title.

SEC. 156. INCORPORATION INTO PLAN OR COVERAGE DOCUMENTS.

The requirements of this title with respect to a group health plan or health insurance coverage are deemed to be incorporated into, and made a part of, such plan or the policy, certificate, or contract providing such coverage and are enforceable under law as if directly included in the documentation of such plan or such policy, certificate, or contract.

TITLE II—APPLICATION OF QUALITY CARE STANDARDS TO GROUP HEALTH PLANS AND HEALTH INSURANCE COVERAGE UNDER THE PUBLIC HEALTH SERVICE ACT

SEC. 201. APPLICATION TO GROUP HEALTH PLANS AND GROUP HEALTH INSURANCE COVERAGE.

(a) IN GENERAL.—Subpart 2 of part A of title XXVII of the Public Health Service Act is amended by adding at the end the following new section:

''SEC. 2707. PATIENT PROTECTION STANDARDS.

''Each group health plan shall comply with patient protection requirements under title I of the Bipartisan Patient Protection Act of 2001, and each health insurance issuer shall comply with patient protection requirements under such title with respect to group health insurance coverage it offers, and such requirements shall be deemed to be incorporated into this subsection.''.

(b) CONFORMING AMENDMENT.—Section 2721(b)(2)(A) of such Act (42 U.S.C. 300gg–21(b)(2)(A)) is amended by inserting ''(other than section 2707)'' after ''requirements of such subparts''.

SEC. 202. APPLICATION TO INDIVIDUAL HEALTH INSURANCE COVERAGE.

Part B of title XXVII of the Public Health Service Act is amended by inserting after section 2752 the following new section:

''SEC. 2753. PATIENT PROTECTION STANDARDS.

''Each health insurance issuer shall comply with patient protection requirements under title I of the Bipartisan Patient Protection Act of 2001 with respect to individual health insurance coverage it offers, and such requirements shall be deemed to be incorporated into this subsection.''.

TITLE III—AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 301. APPLICATION OF PATIENT PROTECTION STANDARDS TO GROUP HEALTH PLANS AND GROUP HEALTH INSURANCE COVERAGE UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

Subpart B of part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new section:

''SEC. 714. PATIENT PROTECTION STANDARDS.

''(a) IN GENERAL.—Subject to subsection (b), a group health plan (and a health insurance issuer offering group health insurance coverage in connection with such a plan) shall comply with the requirements of title I of the Bipartisan Patient Protection Act of 2001 (as in effect as of the date of the enactment of such Act), and such requirements shall be deemed to be incorporated into this subsection.

''(b) PLAN SATISFACTION OF CERTAIN REQUIREMENTS.—

''(1) SATISFACTION OF CERTAIN REQUIREMENTS THROUGH INSURANCE.—For purposes of subsection (a), insofar as a group health plan provides benefits in the form of health insurance coverage through a health insurance issuer, the plan shall be treated as meeting the following requirements of title I of the Bipartisan Patient Protection Act of 2001 with respect to such benefits and not be considered as failing to meet such requirements because of a failure of the issuer to meet such requirements so long as the plan sponsor or its representatives did not cause such failure by the issuer:

''(A) Section 111 (relating to consumer choice option).

''(B) Section 112 (relating to choice of health care professional).

''(C) Section 113 (relating to access to emergency care).

''(D) Section 114 (relating to timely access to specialists).

''(E) Section 115 (relating to patient access to obstetrical and gynecological care).

''(F) Section 116 (relating to access to pediatric care).

''(G) Section 117 (relating to continuity of care), but only insofar as a replacement issuer assumes the obligation for continuity of care.

''(H) Section 118 (relating to access to needed prescription drugs).

''(I) Section 119 (relating to coverage for individuals participating in approved clinical trials).

''(J) Section 120 (relating to required coverage for minimum hospital stay for mastectomies and lymph node dissections for the treatment of breast cancer and coverage for secondary consultations).

''(K) Section 134 (relating to payment of claims).

''(2) INFORMATION.—With respect to information required to be provided or made available under section 121 of the Bipartisan Patient Protection Act of 2001, in the case of a group health plan that provides benefits in the form of health insurance coverage through a health insurance issuer, the Secretary shall determine the circumstances under which the plan is not required to provide or make available the information (and is not liable for the issuer's failure to provide or make available the information), if the issuer is obligated to provide and make available (or provides and makes available) such information.

''(3) INTERNAL APPEALS.—With respect to the internal appeals process required to be established under section 103 of such Act, in the case of a group health plan that provides benefits in the form of health insurance coverage through a health insurance issuer, the Secretary shall determine the circumstances under which the plan is not required to provide for such process and system (and is not liable for the issuer's failure to provide for such process and system), if the issuer is obligated to provide for (and provides for) such process and system.

''(4) EXTERNAL APPEALS.—Pursuant to rules of the Secretary, insofar as a group health plan enters into a contract with a qualified external appeal entity for the conduct of external appeal activities in accordance with section 104 of such Act, the plan shall be treated as meeting the requirement of such section and is not liable for the entity's failure to meet any requirements under such section.

''(5) APPLICATION TO PROHIBITIONS.—Pursuant to rules of the Secretary, if a health insurance issuer offers health insurance coverage in connection with a group health plan and takes an action in violation of any of the following sections of the Bipartisan Patient Protection Act of 2001, the group health plan shall not be liable for such violation unless the plan caused such violation:

''(A) Section 131 (relating to prohibition of interference with certain medical communications).

''(B) Section 132 (relating to prohibition of discrimination against providers based on licensure).

''(C) Section 133 (relating to prohibition against improper incentive arrangements).

''(D) Section 135 (relating to protection for patient advocacy).

''(6) CONSTRUCTION.—Nothing in this subsection shall be construed to affect or modify the responsibilities of the fiduciaries of a group health plan under part 4 of subtitle B.

''(7) TREATMENT OF SUBSTANTIALLY EQUIVALENT STATE LAWS.—For purposes of applying this subsection, any reference in this subsection to a requirement in a section or other provision in the Bipartisan Patient Protection Act of 2001 with respect to a health insurance issuer is deemed to include a reference to a requirement under a State law that is substantially equivalent (as determined under section 152(c) of such Act) to the requirement in such section or other provisions.

''(8) APPLICATION TO CERTAIN PROHIBITIONS AGAINST RETALIATION.—With respect to compliance with the requirements of section 135(b)(1) of the Bipartisan Patient Protection Act of 2001, for purposes of this subtitle the term 'group health plan' is deemed to include a reference to an institutional health care provider.

''(c) ENFORCEMENT OF CERTAIN REQUIREMENTS.—

''(1) COMPLAINTS.—Any protected health care professional who believes that the professional has been retaliated or discriminated against in violation of section 135(b)(1) of the Bipartisan Patient Protection Act of 2001 may file with the Secretary a complaint within 180 days of the date of the alleged retaliation or discrimination.

''(2) INVESTIGATION.—The Secretary shall investigate such complaints and shall determine if a violation of such section has occurred and, if so, shall issue an order to ensure that the protected health care professional does not suffer any loss of position, pay, or benefits in relation to the plan, issuer, or provider involved, as a result of the violation found by the Secretary.

''(d) CONFORMING REGULATIONS.—The Secretary shall issue regulations to coordinate the requirements on group health plans and health insurance issuers under this section with the requirements imposed under the other provisions of this title. In order to reduce duplication and clarify the rights of participants and beneficiaries with respect to information that is required to be provided, such regulations shall coordinate the information disclosure requirements under section 121 of the Bipartisan Patient Protection Act of 2001 with the reporting and disclosure requirements imposed under part 1, so long as such coordination does not result in any reduction in the information that would otherwise be provided to participants and beneficiaries.''.

(b) SATISFACTION OF ERISA CLAIMS PROCEDURE REQUIREMENT.—Section 503 of such Act (29 U.S.C. 1133) is amended by inserting ''(a)'' after ''SEC. 503.'' and by adding at the end the following new subsection:

''(b) In the case of a group health plan (as defined in section 733) compliance with the requirements of subtitle A of title I of the Bipartisan Patient Protection Act of 2001, and compliance with regulations promulgated by the Secretary, in the case of a claims denial shall be deemed compliance with subsection (a) with respect to such claims denial.''.

(c) CONFORMING AMENDMENTS.—(1) Section 732(a) of such Act (29 U.S.C. 1185(a)) is amended by striking ''section 711'' and inserting ''sections 711 and 714''.

(2) The table of contents in section 1 of such Act is amended by inserting after the item relating to section 713 the following new item:

''Sec. 714. Patient protection standards.''.

(3) Section 502(b)(3) of such Act (29 U.S.C. 1132(b)(3)) is amended by inserting ''(other than section 135(b))'' after ''part 7''.

SEC. 302. AVAILABILITY OF CIVIL REMEDIES.

(a) AVAILABILITY OF FEDERAL CIVIL REMEDIES IN CASES NOT INVOLVING MEDICALLY REVIEWABLE DECISIONS.—

(1) IN GENERAL.—Section 502 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132) is amended by adding at the end the following new subsection:

''(n) CAUSE OF ACTION RELATING TO PROVISION OF HEALTH BENEFITS.—

''(1) IN GENERAL.—In any case in which—

''(A) a person who is a fiduciary of a group health plan, a health insurance issuer offering health insurance coverage in connection with the plan, or an agent of the plan, issuer, or plan sponsor—

''(i) upon consideration of a claim for benefits of a participant or beneficiary under section 102 of the Bipartisan Patient Protection Act of 2001 (relating to procedures for initial claims for benefits and prior authorization determinations) or upon review of a denial of such a claim under section 103 of such Act (relating to internal appeal of a denial of a claim for benefits), fails to exercise ordinary care in making a decision—

''(I) regarding whether an item or service is covered under the terms and conditions of the plan or coverage,

''(II) regarding whether an individual is a participant or beneficiary who is enrolled under the terms and conditions of the plan or coverage (including the applicability of any waiting period under the plan or coverage), or

''(III) as to the application of cost-sharing requirements or the application of a specific exclusion or express limitation on the amount, duration, or scope of coverage of items or services under the terms and conditions of the plan or coverage, or

''(ii) otherwise fails to exercise ordinary care in the performance of a duty under the terms and conditions of the plan with respect to a participant or beneficiary, and

''(B) such failure is a proximate cause of personal injury to, or the death of, the participant or beneficiary,

such person shall be liable to the participant or beneficiary (or the estate of such participant or beneficiary) for economic and noneconomic damages (but not exemplary or punitive damages) in connection with such personal injury or death.

''(2) CAUSE OF ACTION MUST NOT INVOLVE MEDICALLY REVIEWABLE DECISION.—

''(A) IN GENERAL.—A cause of action is established under paragraph (1)(A) only if the decision referred to in clause (i) or the failure described in clause (ii) does not include a medically reviewable decision.

''(B) MEDICALLY REVIEWABLE DECISION.—For purposes of subparagraph (A), the term 'medically reviewable decision' means a denial of a claim for benefits under the plan which is described in section 104(d)(2) of the Bipartisan Patient Protection Act of 2001 (relating to medically reviewable decisions).

''(3) DEFINITIONS.—For purposes of this subsection.—

''(A) ORDINARY CARE.—The term 'ordinary care' means—

''(i) with respect to a determination on a claim for benefits, that degree of care, skill, and diligence that a reasonable and prudent individual would exercise in making a fair determination on a claim for benefits of like kind to the claim involved; and

''(ii) with respect to the performance of a duty, that degree of care, skill, and diligence that a reasonable and prudent individual would exercise in performing the duty or a duty of like character.

''(B) PERSONAL INJURY.—The term 'personal injury' means a physical injury and includes an injury arising out of the treatment (or failure to treat) a mental illness or disease.

''(C) CLAIM FOR BENEFITS; DENIAL.—The terms 'claim for benefits' and 'denial of a claim for benefits' have the meanings provided such terms in section 102(e) of the Bipartisan Patient Protection Act of 2001.

''(D) TERMS AND CONDITIONS.—The term 'terms and conditions' includes, with respect to a group health plan or health insurance coverage, requirements imposed under title I of the Bipartisan Patient Protection Act of 2001 or under part 6 or 7.

''(E) GROUP HEALTH PLAN AND OTHER RELATED TERMS.—The provisions of sections

732(d) and 733 apply for purposes of this subsection in the same manner as they apply for purposes of part 7, except that the term 'group health plan' includes a group health plan (as defined in section 607(1)).

''(4) EXCLUSION OF EMPLOYERS AND OTHER PLAN SPONSORS.—

''(A) CAUSES OF ACTION AGAINST EMPLOYERS AND PLAN SPONSORS PRECLUDED.—Subject to subparagraph (B), paragraph (1)(A) does not authorize a cause of action against an employer or other plan sponsor maintaining the plan (or against an employee of such an employer or sponsor acting within the scope of employment).

''(B) CERTAIN CAUSES OF ACTION PERMITTED.—Notwithstanding subparagraph (A), a cause of action may arise against an employer or other plan sponsor (or against an employee of such an employer or sponsor acting within the scope of employment)—

''(i) under clause (i) of paragraph (1)(A), to the extent there was direct participation by the employer or other plan sponsor (or employee) in the decision of the plan under section 102 of the Bipartisan Patient Protection Act of 2001 upon consideration of a claim for benefits or under section 103 of such Act upon review of a denial of a claim for benefits, or

''(ii) under clause (ii) of paragraph (1)(A), to the extent there was direct participation by the employer or other plan sponsor (or employee) in the failure described in such clause.

''(C) DIRECT PARTICIPATION.—

''(i) DIRECT PARTICIPATION IN DECISIONS.—For purposes of subparagraph (B), the term 'direct participation' means, in connection with a decision described in clause (i) of paragraph (1)(A) or a failure described in clause (ii) of such paragraph, the actual making of such decision or the actual exercise of control in making such decision or in the conduct constituting the failure.

''(ii) RULES OF CONSTRUCTION.—For purposes of clause (i), the employer or plan sponsor (or employee) shall not be construed to be engaged in direct participation because of any form of decisionmaking or other conduct that is merely collateral or precedent to the decision described in clause (i) of paragraph (1)(A) on a particular claim for benefits of a participant or beneficiary or that is merely collateral or precedent to the conduct constituting a failure described in clause (ii) of paragraph (1)(A) with respect to a particular participant or beneficiary, including (but not limited to)—

''(I) any participation by the employer or other plan sponsor (or employee) in the selection of the group health plan or health insurance coverage involved or the third party administrator or other agent;

''(II) any engagement by the employer or other plan sponsor (or employee) in any cost-benefit analysis undertaken in connection with the selection of, or continued maintenance of, the plan or coverage involved;

''(III) any participation by the employer or other plan sponsor (or employee) in the process of creating, continuing, modifying, or terminating the plan or any benefit under the plan, if such process was not substantially focused solely on the particular situation of the participant or beneficiary referred to in paragraph (1)(A); and

''(IV) any participation by the employer or other plan sponsor (or employee) in the design of any benefit under the plan, including the amount of copayment and limits connected with such benefit.

''(iv) IRRELEVANCE OF CERTAIN COLLATERAL EFFORTS MADE BY EMPLOYER OR PLAN SPONSOR.—For purposes of this subparagraph, an employer or plan sponsor shall not be treated as engaged in direct participation in a decision with respect to any claim for benefits or denial thereof in the case of any particular participant or beneficiary solely by reason of—

''(I) any efforts that may have been made by the employer or plan sponsor to advocate for authorization of coverage for that or any other participant or beneficiary (or any group of participants or beneficiaries), or

''(II) any provision that may have been made by the employer or plan sponsor for benefits which are not covered under the terms and conditions of the plan for that or any other participant or beneficiary (or any group of participants or beneficiaries).

''(5) REQUIREMENT OF EXHAUSTION.—

''(A) IN GENERAL.—Except as provided in this paragraph, a cause of action may not be brought under paragraph (1) in connection with any denial of a claim for benefits of any individual until all administrative processes under sections 102 and 103 of the Bipartisan Patient Protection Act of 2001 (if applicable) have been exhausted.

''(B) LATE MANIFESTATION OF INJURY.—The requirements under subparagraph (A) for a cause of action in connection with any denial of a claim for benefits shall be deemed satisfied, notwithstanding any failure to timely commence review under section 103 with respect to the denial, if the personal injury is first known (or first reasonably should have been known) to the individual (or the death occurs) after the latest date by which the applicable requirements of subparagraph (A) can be met in connection with such denial.

''(C) OCCURRENCE OF IMMEDIATE AND IRREPARABLE HARM OR DEATH PRIOR TO COMPLETION OF PROCESS.—

''(i) IN GENERAL.—The requirements of subparagraph (A) shall not apply if the action involves an allegation that immediate and irreparable harm or death was, or would be, caused by the denial of a claim for benefits prior to the completion of the administrative processes referred to in subparagraph (A) with respect to such denial.

''(ii) CONSTRUCTION.—Nothing in clause (i) shall be construed to preclude—

''(I) continuation of such processes to their conclusion if so moved by any party, and

''(II) consideration in such action of the final decisions issued in such processes.

''(iii) DEFINITION.—In clause (i), the term 'irreparable harm', with respect to an individual, means an injury or condition that, regardless of whether the individual receives the treatment that is the subject of the denial, cannot be repaired in a manner that would restore the individual to the individual's pre-injured condition.

''(D) RECEIPT OF BENEFITS DURING APPEALS PROCESS.—Receipt by the participant or beneficiary of the benefits involved in the claim for benefits during the pendency of any administrative processes referred to in subparagraph (A) or of any action commenced under this subsection—

''(i) shall not preclude continuation of all such administrative processes to their conclusion if so moved by any party, and

''(ii) shall not preclude any liability under subsection (a)(1)(C) and this subsection in connection with such claim.

The court in any action commenced under this subsection shall take into account any receipt of benefits during such administrative processes or such action in determining the amount of the damages awarded.

''(6) STATUTORY DAMAGES.—

''(A) IN GENERAL.—The remedies set forth in this subsection (n) shall be the exclusive remedies for causes of action brought under this subsection.

''(B) ASSESSMENT OF CIVIL PENALTIES.—In addition to the remedies provided for in paragraph (1) (relating to the failure to provide contract benefits in accordance with the plan), a civil assessment, in an amount not to exceed $5,000,000, payable to the claimant may be awarded in any action under such paragraph if the claimant establishes by clear and convincing evidence that the alleged conduct carried out by the defendant demonstrated bad faith and flagrant disregard for the rights of the participant or beneficiary under the plan and was a proximate cause of the personal injury or death that is the subject of the claim.

''(7) LIMITATION OF ACTION.—Paragraph (1) shall not apply in connection with any action commenced after 3 years after the later of—

''(A) the date on which the plaintiff first knew, or reasonably should have known, of the personal injury or death resulting from the failure described in paragraph (1), or

''(B) the date as of which the requirements of paragraph (5) are first met.

''(8) TOLLING PROVISION.—The statute of limitations for any cause of action arising under State law relating to a denial of a claim for benefits that is the subject of an action brought in Federal court under this subsection shall be tolled until such time as the Federal court makes a final disposition, including all appeals, of whether such claim should properly be within the jurisdiction of the Federal court. The tolling period shall be determined by the applicable Federal or State law, whichever period is greater.

''(9) PURCHASE OF INSURANCE TO COVER LIABILITY.—Nothing in section 410 shall be construed to preclude the purchase by a group health plan of insurance to cover any liability or losses arising under a cause of action under subsection (a)(1)(C) and this subsection.

''(10) EXCLUSION OF DIRECTED RECORDKEEPERS.—

''(A) IN GENERAL.—Subject to subparagraph (C), paragraph (1) shall not apply with respect to a directed recordkeeper in connection with a group health plan.

''(B) DIRECTED RECORDKEEPER.—For purposes of this paragraph, the term 'directed recordkeeper' means, in connection with a group health plan, a person engaged in directed recordkeeping activities pursuant to the specific instructions of the plan or the employer or other plan sponsor, including the distribution of enrollment information and distribution of disclosure materials under this Act or title I of the Bipartisan Patient Protection Act of 2001 and whose duties do not include making decisions on claims for benefits.

''(C) LIMITATION.—Subparagraph (A) does not apply in connection with any directed recordkeeper to the extent that the directed recordkeeper fails to follow the specific instruction of the plan or the employer or other plan sponsor.

''(11) NO EFFECT ON STATE LAW.—No provision of State law (as defined in section 514(c)(1)) shall be treated as superseded or otherwise altered, amended, modified, invalidated, or impaired by reason of the provisions of subsection (a)(1)(C) and this subsection.''.

(2) CONFORMING AMENDMENT.—Section 502(a)(1) of such Act (29 U.S.C. 1132(a)(1)) is amended—

(A) by striking ''or'' at the end of subparagraph (A);

(B) in subparagraph (B), by striking ''plan;'' and inserting ''plan, or''; and

(C) by adding at the end the following new subparagraph:

''(C) for the relief provided for in subsection (n) of this section.''.

(b) RULES RELATING TO ERISA PREEMPTION.—Section 514 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1144) is amended—

(1) by redesignating subsection (d) as subsection (f); and

(2) by inserting after subsection (c) the following new subsections:

''(d) PREEMPTION NOT TO APPLY TO CAUSES OF ACTION UNDER STATE LAW INVOLVING MEDICALLY REVIEWABLE DECISION.—

''(1) NON-PREEMPTION OF CERTAIN CAUSES OF ACTION.—

''(A) IN GENERAL.—Except as provided in this subsection, nothing in this title (including section 502) shall be construed to supersede or otherwise alter, amend, modify, invalidate, or impair any cause of action under State law of a participant or beneficiary under a group health plan (or the estate of such a participant or beneficiary) to recover damages resulting from personal injury or for wrongful death against any person if such cause of action arises by reason of a medically reviewable decision.

''(B) MEDICALLY REVIEWABLE DECISION.—For purposes of subparagraph (A), the term 'medically reviewable decision' means a denial of a claim for benefits under the plan which is described in section 104(d)(2) of the Bipartisan Patient Protection Act of 2001 (relating to medically reviewable decisions).

''(C) LIMITATION ON PUNITIVE DAMAGES.—

''(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), with respect to a cause of action described in subparagraph (A) brought with respect to a participant or beneficiary, State law is superseded insofar as it provides any punitive, exemplary, or similar damages if, as of the time of the personal injury or death, all the requirements of the following sections of the Bipartisan Patient Protection Act of 2001 were satisfied with respect to the participant or beneficiary:

''(I) Section 102 (relating to procedures for initial claims for benefits and prior authorization determinations).

''(II) Section 103 of such Act (relating to internal appeals of claims denials).

''(III) Section 104 of such Act (relating to independent external appeals procedures).

''(ii) EXCEPTION FOR CERTAIN ACTIONS FOR WRONGFUL DEATH.—Clause (i) shall not apply with respect to an action for wrongful death if the applicable State law provides (or has been construed to provide) for damages in such an action which are only punitive or exemplary in nature.

''(iii) EXCEPTION FOR WILLFUL OR WANTON DISREGARD FOR THE RIGHTS OR SAFETY OF OTHERS.—Clause (i) shall not apply with respect to any cause of action described in subparagraph (A) if, in such action, the plaintiff establishes by clear and convincing evidence that conduct carried out by the defendant with willful or wanton disregard for the rights or safety of others was a proximate cause of the personal injury or wrongful death that is the subject of the action.

''(2) DEFINITIONS.—For purposes of this subsection and subsection (e)—

''(A) GROUP HEALTH PLAN AND OTHER RELATED TERMS.—The provisions of sections 732(d) and 733 apply for purposes of this subsection in the same manner as they apply for purposes of part 7, except that the term 'group health plan' includes a group health plan (as defined in section 607(1)).

''(B) PERSONAL INJURY.—The term 'personal injury' means a physical injury and includes an injury arising out of the treatment (or failure to treat) a mental illness or disease.

''(C) CLAIM FOR BENEFIT; DENIAL.—The terms 'claim for benefits' and 'denial of a claim for benefits' shall have the meaning provided such terms under section 102(e) of the Bipartisan Patient Protection Act of 2001.

''(3) EXCLUSION OF EMPLOYERS AND OTHER PLAN SPONSORS.—

''(A) CAUSES OF ACTION AGAINST EMPLOYERS AND PLAN SPONSORS PRECLUDED.—Subject to subparagraph (B), paragraph (1) does not apply with respect to—

''(i) any cause of action against an employer or other plan sponsor maintaining the plan (or against an employee of such an employer or sponsor acting within the scope of employment), or

''(ii) a right of recovery, indemnity, or contribution by a person against an employer or other plan sponsor (or such an employee) for damages assessed against the person pursuant to a cause of action to which paragraph (1) applies.

''(B) CERTAIN CAUSES OF ACTION PERMITTED.—Notwithstanding subparagraph (A), paragraph (1) applies with respect to any cause of action described in paragraph (1) maintained by a participant or beneficiary against an employer or other plan sponsor (or against an employee of such an employer or sponsor acting within the scope of employment)—

''(i) in the case of any cause of action based on a decision of the plan under section 102 of the Bipartisan Patient Protection Act of 2001 upon consideration of a claim for benefits or under section 103 of such Act upon review of a denial of a claim for benefits, to the extent there was direct participation by the employer or other plan sponsor (or employee) in the decision, or

''(ii) in the case of any cause of action based on a failure to otherwise perform a duty under the terms and conditions of the plan with respect to a claim for benefits of a participant or beneficiary, to the extent there was direct participation by the employer or other plan sponsor (or employee) in the failure.

''(C) DIRECT PARTICIPATION.—

''(i) DIRECT PARTICIPATION IN DECISIONS.—For purposes of subparagraph (B), the term 'direct participation' means, in connection with a decision described in subparagraph (B)(i) or a failure described in subparagraph (B)(ii), the actual making of such decision or the actual exercise of control in making such decision or in the conduct constituting the failure.

''(ii) RULES OF CONSTRUCTION.—For purposes of clause (i), the employer or plan sponsor (or employee) shall not be construed to be engaged in direct participation because of any form of decisionmaking or other conduct that is merely collateral or precedent to the decision described in subparagraph (B)(i) on a particular claim for benefits of a particular participant or beneficiary or that is merely collateral or precedent to the conduct constituting a failure described in subparagraph (B)(ii) with respect to a particular participant or beneficiary, including (but not limited to)—

''(I) any participation by the employer or other plan sponsor (or employee) in the selection of the group health plan or health insurance coverage involved or the third party administrator or other agent;

''(II) any engagement by the employer or other plan sponsor (or employee) in any cost-benefit analysis undertaken in connection with the selection of, or continued maintenance of, the plan or coverage involved;

''(III) any participation by the employer or other plan sponsor (or employee) in the process of creating, continuing, modifying, or terminating the plan or any benefit under the plan, if such process was not substantially focused solely on the particular situation of the participant or beneficiary referred to in paragraph (1)(A); and

''(IV) any participation by the employer or other plan sponsor (or employee) in the design of any benefit under the plan, including the amount of copayment and limits connected with such benefit.

''(iii) IRRELEVANCE OF CERTAIN COLLATERAL EFFORTS MADE BY EMPLOYER OR PLAN SPONSOR.—For purposes of this subparagraph, an employer or plan sponsor shall not be treated as engaged in direct participation in a decision with respect to any claim for benefits or denial thereof in the case of any particular participant or beneficiary solely by reason of—

''(I) any efforts that may have been made by the employer or plan sponsor to advocate for authorization of coverage for that or any other participant or beneficiary (or any group of participants or beneficiaries), or

''(II) any provision that may have been made by the employer or plan sponsor for benefits which are not covered under the terms and conditions of the plan for that or any other participant or beneficiary (or any group of participants or beneficiaries).

''(4) REQUIREMENT OF EXHAUSTION.—

''(A) IN GENERAL.—Except as provided in this paragraph, paragraph (1) shall not apply with respect to a cause of action described in such paragraph in connection with any denial of a claim for benefits of any individual until all administrative processes under sections 102, 103, and 104 of the Bipartisan Patient Protection Act of 2001 (if applicable) have been exhausted.

''(B) LATE MANIFESTATION OF INJURY.—The requirements under subparagraph (A) for a cause of action in connection with any denial of a claim for benefits shall be deemed satisfied, notwithstanding any failure to timely commence review under section 103 or 104 with respect to the denial, if the personal injury is first known (or first should have been known) to the individual (or the death occurs) after the latest date by which the applicable requirements of subparagraph (A) can be met in connection with such denial.

''(C) OCCURRENCE OF IMMEDIATE AN IRREPARABLE HARM OR DEATH PRIOR TO COMPLETION OF PROCESS.—

''(i) IN GENERAL.—The requirements of subparagraph (A) shall not apply if the action involves an allegation that immediate and irreparable harm or death was, or would be, caused by the denial of a claim for benefits prior to the completion of the administrative processes referred to in subparagraph (A) with respect to such denial.

''(ii) CONSTRUCTION.—Nothing in clause (i) shall be construed to preclude—

''(I) continuation of such processes to their conclusion if so moved by any party, and

''(II) consideration in such action of the final decisions issued in such processes.

''(iii) DEFINITION.—In clause (i), the term 'irreparable harm', with respect to an individual, means an injury or condition that, regardless of whether the individual receives the treatment that is the subject of the denial, cannot be repaired in a manner that would restore the individual to the individual's pre-injured condition.

''(D) RECEIPT OF BENEFITS DURING APPEALS PROCESS.—Receipt by the participant or beneficiary of the benefits involved in the claim for benefits during the pendency of any administrative processes referred to in subparagraph (A) or of any action commenced under this subsection—

''(i) shall not preclude continuation of all such administrative processes to their conclusion if so moved by any party, and

''(ii) shall not preclude any liability under subsection (a)(1)(C) and this subsection in connection with such claim.

''(5) TOLLING PROVISION.—The statute of limitations for any cause of action arising under section 502(n) relating to a denial of a claim for benefits that is the subject of an action brought in State court shall be tolled until such time as the State court makes a final disposition, including all appeals, of whether such claim should properly be within the jurisdiction of the State court. The tolling period shall be determined by the applicable Federal or State law, whichever period is greater.

''(6) EXCLUSION OF DIRECTED RECORDKEEPERS.—

''(A) IN GENERAL.—Subject to subparagraph (C), paragraph (1) shall not apply with respect to a directed recordkeeper in connection with a group health plan.

''(B) DIRECTED RECORDKEEPER.—For purposes of this paragraph, the term 'directed recordkeeper' means, in connection with a group health plan, a person engaged in directed recordkeeping activities pursuant to the specific instructions of the plan or the employer or other plan sponsor, including the distribution of enrollment information and distribution of disclosure materials under this Act or title I of the Bipartisan Patient Protection Act of 2001 and whose duties do not include making decisions on claims for benefits.

''(C) LIMITATION.—Subparagraph (A) does not apply in connection with any directed recordkeeper to the extent that the directed recordkeeper fails to follow the specific instruction of the plan or the employer or other plan sponsor.

''(7) CONSTRUCTION.—Nothing in this subsection shall be construed as—

''(A) saving from preemption a cause of action under State law for the failure to provide a benefit for an item or service which is specifically excluded under the group health plan involved, except to the extent that—

''(i) the application or interpretation of the exclusion involves a determination described in section 104(d)(2) of the Bipartisan Patient Protection Act of 2001, or

''(ii) the provision of the benefit for the item or service is required under Federal law or under applicable State law consistent with subsection (b)(2)(B);

''(B) preempting a State law which requires an affidavit or certificate of merit in a civil action;

''(C) affecting a cause of action or remedy under State law in connection with the provision or arrangement of excepted benefits (as defined in section 733(c)), other than those described in section 733(c)(2)(A); or

''(D) affecting a cause of action under State law other than a cause of action described in paragraph (1)(A).

''(8) PURCHASE OF INSURANCE TO COVER LIABILITY.—Nothing in section 410 shall be construed to preclude the purchase by a group health plan of insurance to cover any liability or losses arising under a cause of action described in paragraph (1)(A).

''(e) RULES OF CONSTRUCTION RELATING TO HEALTH CARE.—Nothing in this title shall be construed as—

''(1) affecting any State law relating to the practice of medicine or the provision of medical care, or affecting any action based upon such a State law,

''(2) superseding any State law permitted under section 152(b)(1)(A) of the Bipartisan Patient Protection Act of 2001, or

''(3) affecting any applicable State law with respect to limitations on monetary damages.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to acts and omissions (from which a cause of action arises) occurring on or after the date of the enactment of this division.

SEC. 303. LIMITATIONS ON ACTIONS.

Section 502 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132) (as amended by section 302(a)) is amended further by adding at the end the following new subsection:

''(o) LIMITATIONS ON ACTIONS RELATING TO GROUP HEALTH PLANS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no action may be brought under subsection (a)(1)(B), (a)(2), or (a)(3) by a participant or beneficiary seeking relief based on the application of any provision in section 101, subtitle B, or subtitle D of title I of the Bipartisan Patient Protection Act of 2001 (as incorporated under section 714).

''(2) CERTAIN ACTIONS ALLOWABLE.—An action may be brought under subsection (a)(1)(B), (a)(2), or (a)(3) by a participant or beneficiary seeking relief based on the application of section 101, 113, 114, 115, 116, 117, 118(a)(3), 119, or 120 of the Bipartisan Patient Protection Act of 2001 (as incorporated under section 714) to the individual circumstances of that participant or beneficiary, except that—

''(A) such an action may not be brought or maintained as a class action; and

''(B) in such an action, relief may only provide for the provision of (or payment of) benefits, items, or services denied to the individual participant or beneficiary involved (and for attorney's fees and the costs of the action, at the discretion of the court) and shall not provide for any other relief to the participant or beneficiary or for any relief to any other person.

''(3) OTHER PROVISIONS UNAFFECTED.—Nothing in this subsection shall be construed as affecting subsections (a)(1)(C) and (n) or section 514(d).

''(4) ENFORCEMENT BY SECRETARY UNAFFECTED.—Nothing in this subsection shall be construed as affecting any action brought by the Secretary.''.

TITLE IV—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

SEC. 401. APPLICATION TO GROUP HEALTH PLANS UNDER THE INTERNAL REVENUE CODE OF 1986.

Subchapter B of chapter 100 of the Internal Revenue Code of 1986 is amended—

(1) in the table of sections, by inserting after the item relating to section 9812 the following new item:

''Sec. 9813. Standard relating to patients' bill of rights.'';

and

(2) by inserting after section 9812 the following:

''SEC. 9813. STANDARD RELATING TO PATIENTS' BILL OF RIGHTS.

''A group health plan shall comply with the requirements of title I of the Bipartisan Patient Protection Act of 2001 (as in effect as of the date of the enactment of such Act), and such requirements shall be deemed to be incorporated into this section.''.

SEC. 402. CONFORMING ENFORCEMENT FOR WOMEN'S HEALTH AND CANCER RIGHTS.

Subchapter B of chapter 100 of the Internal Revenue Code of 1986, as amended by section 401, is further amended—

(1) in the table of sections, by inserting after the item relating to section 9813 the following new item:

''Sec. 9814. Standard relating to women's health and cancer rights.'';

and

(2) by inserting after section 9813 the following:

''SEC. 9814. STANDARD RELATING TO WOMEN'S HEALTH AND CANCER RIGHTS.

''The provisions of section 713 of the Employee Retirement Income Security Act of 1974 (as in effect as of the date of the enactment of this section) shall apply to group health plans as if included in this subchapter.''.

TITLE V—EFFECTIVE DATES; COORDINATION IN IMPLEMENTATION

SEC. 501. EFFECTIVE DATES.

(a) GROUP HEALTH COVERAGE.—

(1) IN GENERAL.—Subject to paragraph (2) and subsection (d), the amendments made by sections 201(a), 301, 303, and 401 and 402 (and title I insofar as it relates to such sections) shall apply with respect to group health plans, and health insurance coverage offered in connection with group health plans, for plan years beginning on or after January 1, 2002 (in this section referred to as the ''general effective date'').

(2) TREATMENT OF COLLECTIVE BARGAINING AGREEMENTS.—In the case of a group health plan maintained pursuant to one or more collective bargaining agreements between employee representatives and one or more employers ratified before the date of the enactment of this division, the amendments made by sections 201(a), 301, 303, and 401 and 402 (and title I insofar as it relates to such sections) shall not apply to plan years beginning before the later of—

(A) the date on which the last collective bargaining agreements relating to the plan terminates (determined without regard to any extension thereof agreed to after the date of the enactment of this division); or

(B) the general effective date.

For purposes of subparagraph (A), any plan amendment made pursuant to a collective bargaining agreement relating to the plan which amends the plan solely to conform to any requirement added by this division shall not be treated as a termination of such collective bargaining agreement.

(b) INDIVIDUAL HEALTH INSURANCE COVERAGE.—Subject to subsection (d), the amendments made by section 202 shall apply with respect to individual health insurance coverage offered, sold, issued, renewed, in effect, or operated in the individual market on or after the general effective date.

(c) TREATMENT OF RELIGIOUS NONMEDICAL PROVIDERS.—

(1) IN GENERAL.—Nothing in this division (or the amendments made thereby) shall be construed to—

(A) restrict or limit the right of group health plans, and of health insurance issuers offering health insurance coverage, to include as providers religious nonmedical providers;

(B) require such plans or issuers to—

(i) utilize medically based eligibility standards or criteria in deciding provider status of religious nonmedical providers;

(ii) use medical professionals or criteria to decide patient access to religious nonmedical providers;

(iii) utilize medical professionals or criteria in making decisions in internal or external appeals regarding coverage for care by religious nonmedical providers; or

(iv) compel a participant or beneficiary to undergo a medical examination or test as a condition of receiving health insurance coverage for treatment by a religious nonmedical provider; or

(C) require such plans or issuers to exclude religious nonmedical providers because they do not provide medical or other required data, if such data is inconsistent with the religious nonmedical treatment or nursing care provided by the provider.

(2) RELIGIOUS NONMEDICAL PROVIDER.—For purposes of this subsection, the term ''religious nonmedical provider'' means a provider who provides no medical care but who provides only religious nonmedical treatment or religious nonmedical nursing care.

(d) TRANSITION FOR NOTICE REQUIREMENT.—The disclosure of information required under section 121 of this division shall first be provided pursuant to—

(1) subsection (a) with respect to a group health plan that is maintained as of the general effective date, not later than 30 days before the beginning of the first plan year to which title I applies in connection with the plan under such subsection; or

(2) subsection (b) with respect to a individual health insurance coverage that is in effect as of the general effective date, not later than 30 days before the first date as of which title I applies to the coverage under such subsection.

SEC. 502. COORDINATION IN IMPLEMENTATION.

The Secretary of Labor, the Secretary of Health and Human Services, and the Secretary of the Treasury shall ensure, through the execution of an interagency memorandum of understanding among such Secretaries, that—

(1) regulations, rulings, and interpretations issued by such Secretaries relating to the same matter over which such Secretaries have responsibility under the provisions of this division (and the amendments made thereby) are administered so as to have the same effect at all times; and

(2) coordination of policies relating to enforcing the same requirements through such Secretaries in order to have a coordinated enforcement strategy that avoids duplication of enforcement efforts and assigns priorities in enforcement.

SEC. 503. SEVERABILITY.

If any provision of this division, an amendment made by this division, or the application of such provision or amendment to any person or circumstance is held to be unconstitutional, the remainder of this division, the amendments made by this division, and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SA 479. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE ____—EDUCATIONAL CHOICES FOR DISADVANTAGED CHILDREN.

SEC. ____01. PURPOSES.

The purposes of this title are—

(1) to assist States to—

(A) give children from low-income families the same choices among all elementary and secondary schools and other academic programs as children from wealthier families already have;

(B) improve schools and other academic programs by giving parents in low-income families increased consumer power to choose the schools and programs that the parents determine best fit the needs of their children; and

(C) more fully engage parents in their children's schooling; and

(2) to demonstrate, through a 3-year national grant program, the effects of a voucher program that gives parents in low-income families—

(A) choice among public, private, and religious schools for their children; and

(B) access to the same academic options as parents in wealthy families have for their children.

SEC. ____02. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this title (other than section ____10) $1,800,000,000 for each of fiscal years 2002 through 2005.

(b) EVALUATION.—There is authorized to be appropriated to carry out section ____10 $17,000,000 for each of fiscal years 2002 through 2005.

SEC. ____03. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary shall make grants to States, from allotments made under section ____04 to enable the States to carry out educational choice programs that provide scholarships, in accordance with this title.

(b) LIMIT ON FEDERAL ADMINISTRATIVE EXPENDITURES.—The Secretary may reserve not more than $1,000,000 of the amounts appropriated under section ____02(a) for a fiscal year to pay for the costs of administering this title.

SEC. ____04. ALLOTMENTS TO STATES.

(a) ALLOTMENTS.—The Secretary shall make the allotments to States in accordance with a formula specified in regulations issued in accordance with subsection (b). The formula shall provide that the Secretary shall allot to each State an amount that bears the same relationship to the amounts appropriated under section ____02(a) for a fiscal year (other than funds reserved under section ____03(b)) as the number of covered children in the State bears to the number of covered children in all such States.

(b) FORMULA.—Not later than 90 days after the date of enactment of this title, the Secretary shall issue regulations specifying the formula referred to in subsection (a).

(c) LIMIT ON STATE ADMINISTRATIVE EXPENDITURES.—The State may reserve not more than 1 percent of the funds made available through the State allotment to pay for the costs of administering this title.

(d) DEFINITION.—In this section, the term ''covered child'' means a child who is enrolled in a public school (including a charter school) that is an elementary school or secondary school.

SEC. ____05. ELIGIBLE SCHOOLS.

(a) ELIGIBILITY.—

(1) IN GENERAL.—Schools identified by a State under paragraph (2) shall be considered to be eligible schools under this title.

(2) DETERMINATION.—Not later than 180 days after the date the Secretary issues regulations under section ____04(b), each State shall identify the public elementary schools and secondary schools in the State that are at or below the 25th percentile for academic performance of schools in the State.

(b) PERFORMANCE.—The State shall determine the academic performance of a school under this section based on such criteria as the State may consider to be appropriate.

SEC. ____06. SCHOLARSHIPS.

(a) IN GENERAL.—

(1) SCHOLARSHIP AWARDS.—With funds awarded under this title, each State awarded a grant under this title shall provide scholarships to the parents of eligible children, in accordance with subsections (b) and (c). The State shall ensure that the scholarships may be redeemed for elementary or secondary education for the eligible children at any of a broad variety of public and private schools, including religious schools, in the State.

(2) SCHOLARSHIP AMOUNT.—The amount of each scholarship shall be $2000 per year.

(3) TAX EXEMPTION.—Scholarships awarded under this title shall not be considered income of the parents for Federal income tax purposes or for determining eligibility for any other Federal program.

(b) ELIGIBLE CHILD.—To be eligible to receive a scholarship under this title, a child shall be—

(1) a child who is enrolled in a public elementary school or secondary school that is an eligible school; and

(2) a member of a family with a family income that is not more than 200 percent of the poverty line.

(c) AWARD RULES.—

(1) PRIORITY.—In providing scholarships under this title, the State shall provide scholarships for eligible children through a lottery system administered for all eligible schools in the State by the State educational agency.

(2) CONTINUING ELIGIBILITY.—Each State receiving a grant under this title to carry out an educational choice program shall provide a scholarship in each year of the program to each child who received a scholarship during the previous year of the program, unless—

(A) the child no longer resides in the area served by an eligible school;

(B) the child no longer attends school;

(C) the child's family income exceeds, by 20 percent or more, 200 percent of the poverty line;

(D) the child is expelled; or

(E) the child is convicted of possession of a weapon on school grounds, convicted of a violent act against another student or a member of the school's faculty, or convicted of a felony, including felonious drug possession.

SEC. ____07. USES OF FUNDS.

Any scholarship awarded under this title for a year shall be used—

(1) first, for—

(A) the payment of tuition and fees at the school selected by the parents of the child for whom the scholarship was provided; and

(B) the reasonable costs of the child's transportation to the school, if the school is not the school to which the child would be assigned in the absence of a program under this title;

(2) second, if the parents so choose, to obtain supplementary academic services for the child, at a cost of not more than $500, from any provider chosen by the parents, that the State determines is capable of providing such services and has an appropriate refund policy; and

(3) finally, for educational programs that help the eligible child achieve high levels of academic excellence in the school attended by the eligible child, if the eligible child chooses to attend a public school.

SEC. ____08. STATE REQUIREMENT.

A State that receives a grant under this title shall allow lawfully operating public

and private elementary schools and secondary schools, including religious schools, if any, serving the area involved to participate in the program.

SEC. ___09. EFFECT OF PROGRAMS.

(a) TITLE I.—Notwithstanding any other provision of law, if a local educational agency in the State would, in the absence of an educational choice program that is funded under this title, provide services to a participating eligible child under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), the State shall ensure the provision of such services to such child.

(b) INDIVIDUALS WITH DISABILITIES.—Nothing in this title shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(c) AID.—

(1) IN GENERAL.—Scholarships under this title shall be considered to aid families, not institutions. For purposes of determining Federal assistance under Federal law, a parent's expenditure of scholarship funds under this title at a school or for supplementary academic services shall not constitute Federal financial aid or assistance to that school or to the provider of supplementary academic services.

(2) SUPPLEMENTARY ACADEMIC SERVICES.—

(A) IN GENERAL.—Notwithstanding paragraph (1), a school or provider of supplementary academic services that receives scholarship funds under this title shall, as a condition of participation under this title, comply with the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(B) REGULATIONS.—The Secretary shall promulgate regulations to implement the provisions of subparagraph (A), taking into account the purposes of this title and the nature, variety, and missions of schools and providers that may participate in providing services to children under this title.

(d) OTHER FEDERAL FUNDS.—No Federal, State, or local agency may, in any year, take into account Federal funds provided to a State or to the parents of any child under this title in determining whether to provide any other funds from Federal, State, or local resources, or in determining the amount of such assistance, to such State or to a school attended by such child.

(e) NO DISCRETION.—Nothing in this title shall be construed to authorize the Secretary to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school participating in a program under this title.

SEC. ___10. EVALUATION.

The Comptroller General of the United States shall conduct an evaluation of the program authorized by this title. Such evaluation shall, at a minimum—

(1) assess the implementation of educational choice programs assisted under this title and their effect on participants, schools, and communities in the school districts served, including parental involvement in, and satisfaction with, the program and their children's education;

(2) compare the educational achievement of participating eligible children with the educational achievement of similar non-participating children before, during, and after the program; and

(3) compare—

(A) the educational achievement of eligible children who use scholarships to attend schools other than the schools the children would attend in the absence of the program; with

(B) the educational achievement of children who attend the schools the children would attend in the absence of the program.

SEC. ___11. ENFORCEMENT.

(a) REGULATIONS.—The Secretary shall promulgate regulations to enforce the provisions of this title.

(b) PRIVATE CAUSE.—No provision or requirement of this title shall be enforced through a private cause of action.

SEC. ___12. FUNDING.

The Committee on Finance and the Committee on Appropriations of the Senate and the Committee on Ways and Means and the Committee on Appropriations of the House of Representatives shall identify wasteful spending (including loopholes to revenue raising tax provisions) by the Federal Government as a means of providing funding for this title. Not later than 60 days after the date of enactment of this title, the committees referred to in the preceding sentence shall jointly prepare and submit to the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, a report concerning the spending (and loopholes) identified under such sentence.

SEC. ___13. DEFINITIONS.

In this title:

(1) CHARTER SCHOOL.—The term ''charter school'' has the meaning given the term in section 5120 of the Elementary and Secondary Education Act of 1965.

(2) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; PARENT; SECONDARY SCHOOL; STATE EDUCATIONAL AGENCY.—The terms ''elementary school'', ''local educational agency'', ''parent'', ''secondary school'', and ''State educational agency'' have the meanings given the terms in section 3 of the Elementary and Secondary Education Act of 1965.

(3) POVERTY LINE.—The term ''poverty line'' means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

(5) STATE.—The term ''State'' means each of the 50 States.

SA 480. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE ___—EDUCATIONAL CHOICES FOR DISADVANTAGED CHILDREN.

SEC. ___01. PURPOSES.

The purposes of this title are—

(1) to assist States to—

(A) give children from low-income families the same choices among all elementary and secondary schools and other academic programs as children from wealthier families already have;

(B) improve schools and other academic programs by giving parents in low-income families increased consumer power to choose the schools and programs that the parents determine best fit the needs of their children; and

(C) more fully engage parents in their children's schooling; and

(2) to demonstrate, through a 3-year national grant program, the effects of a voucher program that gives parents in low-income families—

(A) choice among public, private, and religious schools for their children; and

(B) access to the same academic options as parents in wealthy families have for their children.

SEC. ___02. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this title (other than section ___10) $1,800,000,000 for each of fiscal years 2002 through 2005.

(b) EVALUATION.—There is authorized to be appropriated to carry out section ___10 $17,000,000 for each of fiscal years 2002 through 2005.

SEC. ___03. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary shall make grants to States, from allotments made under section ___04 to enable the States to carry out educational choice programs that provide scholarships, in accordance with this title.

(b) LIMIT ON FEDERAL ADMINISTRATIVE EXPENDITURES.—The Secretary may reserve not more than $1,000,000 of the amounts appropriated under section ___02(a) for a fiscal year to pay for the costs of administering this title.

SEC. ___04. ALLOTMENTS TO STATES.

(a) ALLOTMENTS.—The Secretary shall make the allotments to States in accordance with a formula specified in regulations issued in accordance with subsection (b). The formula shall provide that the Secretary shall allot to each State an amount that bears the same relationship to the amounts appropriated under section ___02(a) for a fiscal year (other than funds reserved under section ___03(b)) as the number of covered children in the State bears to the number of covered children in all such States.

(b) FORMULA.—Not later than 90 days after the date of enactment of this title, the Secretary shall issue regulations specifying the formula referred to in subsection (a).

(c) LIMIT ON STATE ADMINISTRATIVE EXPENDITURES.—The State may reserve not more than 1 percent of the funds made available through the State allotment to pay for the costs of administering this title.

(d) DEFINITION.—In this section, the term ''covered child'' means a child who is enrolled in a public school (including a charter school) that is an elementary school or secondary school.

SEC. ___05. ELIGIBLE SCHOOLS.

(a) ELIGIBILITY.—

(1) IN GENERAL.—Schools identified by a State under paragraph (2) shall be considered to be eligible schools under this title.

(2) DETERMINATION.—Not later than 180 days after the date the Secretary issues regulations under section ___04(b), each State shall identify the public elementary schools and secondary schools in the State that are at or below the 25th percentile for academic performance of schools in the State.

(b) PERFORMANCE.—The State shall determine the academic performance of a school under this section based on such criteria as the State may consider to be appropriate.

SEC. ___06. SCHOLARSHIPS.

(a) IN GENERAL.—

(1) SCHOLARSHIP AWARDS.—With funds awarded under this title, each State awarded a grant under this title shall provide scholarships to the parents of eligible children, in

accordance with subsections (b) and (c). The State shall ensure that the scholarships may be redeemed for elementary or secondary education for the eligible children at any of a broad variety of public and private schools, including religious schools, in the State.

(2) SCHOLARSHIP AMOUNT.—The amount of each scholarship shall be $2000 per year.

(3) TAX EXEMPTION.—Scholarships awarded under this title shall not be considered income of the parents for Federal income tax purposes or for determining eligibility for any other Federal program.

(b) ELIGIBLE CHILD.—To be eligible to receive a scholarship under this title, a child shall be—

(1) a child who is enrolled in a public elementary school or secondary school that is an eligible school; and

(2) a member of a family with a family income that is not more than 200 percent of the poverty line.

(c) AWARD RULES.—

(1) PRIORITY.—In providing scholarships under this title, the State shall provide scholarships for eligible children through a lottery system administered for all eligible schools in the State by the State educational agency.

(2) CONTINUING ELIGIBILITY.—Each State receiving a grant under this title to carry out an educational choice program shall provide a scholarship in each year of the program to each child who received a scholarship during the previous year of the program, unless—

(A) the child no longer resides in the area served by an eligible school;

(B) the child no longer attends school;

(C) the child's family income exceeds, by 20 percent or more, 200 percent of the poverty line;

(D) the child is expelled; or

(E) the child is convicted of possession of a weapon on school grounds, convicted of a violent act against another student or a member of the school's faculty, or convicted of a felony, including felonious drug possession.

SEC. ___07. USES OF FUNDS.

Any scholarship awarded under this title for a year shall be used—

(1) first, for—

(A) the payment of tuition and fees at the school selected by the parents of the child for whom the scholarship was provided; and

(B) the reasonable costs of the child's transportation to the school, if the school is not the school to which the child would be assigned in the absence of a program under this title;

(2) second, if the parents so choose, to obtain supplementary academic services for the child, at a cost of not more than $500, from any provider chosen by the parents, that the State determines is capable of providing such services and has an appropriate refund policy; and

(3) finally, for educational programs that help the eligible child achieve high levels of academic excellence in the school attended by the eligible child, if the eligible child chooses to attend a public school.

SEC. ___08. STATE REQUIREMENT.

A State that receives a grant under this title shall allow lawfully operating public and private elementary schools and secondary schools, including religious schools, if any, serving the area involved to participate in the program.

SEC. ___09. EFFECT OF PROGRAMS.

(a) TITLE I.—Notwithstanding any other provision of law, if a local educational agency in the State would, in the absence of an educational choice program that is funded under this title, provide services to a participating eligible child under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), the State shall ensure the provision of such services to such child.

(b) INDIVIDUALS WITH DISABILITIES.—Nothing in this title shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(c) AID.—

(1) IN GENERAL.—Scholarships under this title shall be considered to aid families, not institutions. For purposes of determining Federal assistance under Federal law, a parent's expenditure of scholarship funds under this title at a school or for supplementary academic services shall not constitute Federal financial aid or assistance to that school or to the provider of supplementary academic services.

(2) SUPPLEMENTARY ACADEMIC SERVICES.—

(A) IN GENERAL.—Notwithstanding paragraph (1), a school or provider of supplementary academic services that receives scholarship funds under this title shall, as a condition of participation under this title, comply with the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(B) REGULATIONS.—The Secretary shall promulgate regulations to implement the provisions of subparagraph (A), taking into account the purposes of this title and the nature, variety, and missions of schools and providers that may participate in providing services to children under this title.

(d) OTHER FEDERAL FUNDS.—No Federal, State, or local agency may, in any year, take into account Federal funds provided to a State or to the parents of any child under this title in determining whether to provide any other funds from Federal, State, or local resources, or in determining the amount of such assistance, to such State or to a school attended by such child.

(e) NO DISCRETION.—Nothing in this title shall be construed to authorize the Secretary to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school participating in a program under this title.

SEC. ___10. EVALUATION.

The Comptroller General of the United States shall conduct an evaluation of the program authorized by this title. Such evaluation shall, at a minimum—

(1) assess the implementation of educational choice programs assisted under this title and their effect on participants, schools, and communities in the school districts served, including parental involvement in, and satisfaction with, the program and their children's education;

(2) compare the educational achievement of participating eligible children with the educational achievement of similar non-participating children before, during, and after the program; and

(3) compare—

(A) the educational achievement of eligible children who use scholarships to attend schools other than the schools the children would attend in the absence of the program; with

(B) the educational achievement of children who attend the schools the children would attend in the absence of the program.

SEC. ___11. ENFORCEMENT.

(a) REGULATIONS.—The Secretary shall promulgate regulations to enforce the provisions of this title.

(b) PRIVATE CAUSE.—No provision or requirement of this title shall be enforced through a private cause of action.

SEC. ___12. FUNDING.

The Committee on Finance and the Committee on Appropriations of the Senate and the Committee on Ways and Means and the Committee on Appropriations of the House of Representatives shall identify wasteful spending by the Federal Government as a means of providing funding for this title. Not later than 60 days after the date of enactment of this title, the committees referred to in the preceding sentence shall jointly prepare and submit to the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, a report concerning the spending identified under such sentence.

SEC. ___13. DEFINITIONS.

In this title:

(1) CHARTER SCHOOL.—The term ''charter school'' has the meaning given the term in section 5120 of the Elementary and Secondary Education Act of 1965.

SA 481. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 902. SENSE OF THE SENATE REGARDING TAX RELIEF FOR HIGHER EDUCATION EXPENSES.

(a) FINDINGS.—The Senate finds that—

(1) a college education is increasingly becoming vital for the success of an individual in our competitive, high-tech economy;

(2) nearly 60 percent of today's jobs require some college education;

(3) over the last 20 years, the cost of attending college has outpaced increases in median family income and has risen substantially faster than the rate of inflation;

(4) the average cost this year, including tuition, fees, room, and board, for attending a public 4-year college is $8,470, and for a private 4-year college is $22,541;

(5) the cost of attending some of the best private colleges or universities in the Nation represents approximately 40 percent of the annual income of an average family, and the cost of attending some of the best public colleges or universities represents approximately 15 percent of the annual income of an average family;

(6) in 1997, Congress adopted the Hope Scholarship, a tax credit of up to $1,500 for each of the first 2 years of college, to help families send their children to college; and

(7) in 1997, Congress adopted the Lifetime Learning Credit that permits a 20 percent tax credit on up to $5,000 worth of higher education expenses, and the amount of higher education expenses eligible for the 20 percent tax credit will rise to $10,000 in 2003.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should adopt legislation that would expand—

(1) the favorable tax treatment of higher education expenses to provide greater assistance to families with the costs of sending their children to college; and

(2) the number of families eligible for the tax relief described in paragraph (1).

SA 482. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary

and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end, add the following:

SEC. 902. SENSE OF CONGRESS ON ENHANCING AWARENESS OF THE CONTRIBUTIONS OF VETERANS TO THE NATION.

(a) FINDINGS.—Congress makes the following findings:

(1) Tens of millions of Americans have served in the Armed Forces of the United States during the past century.

(2) Hundreds of thousands of Americans have given their lives while serving in the Armed Forces during the past century.

(3) The contributions and sacrifices of the men and women who served in the Armed Forces have been vital in maintaining our freedoms and way of life.

(4) The advent of the all-volunteer Armed Forces has resulted in a sharp decline in the number of individuals and families who have had any personal connection with the Armed Forces.

(5) This reduction in familiarity with the Armed Forces has resulted in a marked decrease in the awareness by young people of the nature and importance of the accomplishments of those who have served in our Armed Forces, despite the current educational efforts of the Department of Veterans Affairs and the veterans service organizations.

(6) Our system of civilian control of the Armed Forces makes it essential that the Nation's future leaders understand the history of military action and the contributions and sacrifices of those who conduct such actions.

(7) Senate Resolution 304 of the 106th Congress, adopted on September 25, 2000, designated the week that includes Veterans Day as ''National Veterans Awareness Week'' to focus attention on educating elementary and secondary school students about the contributions of veterans to the Nation.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the Secretary of Education should work with the Secretary of Veterans Affairs, the Veterans Day National Committee, and the veterans service organizations to encourage, prepare, and disseminate educational materials and activities for elementary and secondary school students aimed at increasing awareness of the contributions of veterans to the prosperity and freedoms enjoyed by United States citizens;

(2) the week in 2001 that includes Veterans Day be designated as ''National Veterans Awareness Week'' for the purpose of presenting such materials and activities; and

(3) the President should issue a proclamation calling on the people of the United States to observe that week with appropriate educational activities.

SA 483. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 380, strike line 5 and all that follows through page 383, line 21, and insert the following:

SEC. 202. TEACHER MOBILITY.

(a) SHORT TITLE.—This section may be cited as the ''Teacher Mobility Act''.

(b) MOBILITY OF TEACHERS.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.), as amended by section 201, is further amended by adding at the end the following:

''PART D—TEACHER MOBILITY

''SEC. 2401. NATIONAL PANEL ON TEACHER MOBILITY.

''(a) ESTABLISHMENT.—There is established a panel to be known as the National Panel on Teacher Mobility (referred to in this section as the 'panel').

''(b) MEMBERSHIP.—The panel shall be composed of members appointed by the Secretary. The Secretary shall appoint the members from among practitioners and experts with experience relating to teacher mobility, such as teachers, members of teacher certification or licensing bodies, faculty of institutions of higher education that prepare teachers, and State policymakers with such experience.

''(c) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the panel. Any vacancy in the panel shall not affect the powers of the panel, but shall be filled in the same manner as the original appointment.

''(d) DUTIES.—

''(1) STUDY.—

''(A) IN GENERAL.—The panel shall study strategies for increasing mobility and employment opportunities for high quality teachers, especially for States with teacher shortages and States with districts or schools that are difficult to staff.

''(B) DATA AND ANALYSIS.—As part of the study, the panel shall evaluate the desirability and feasibility of State initiatives that support teacher mobility by collecting data and conducting effective analysis on—

''(i) teacher supply and demand;

''(ii) the development of recruitment and hiring strategies that support teachers; and

''(iii) increasing reciprocity of licenses across States.

''(2) REPORT.—Not later than 1 year after the date on which all members of the panel have been appointed, the panel shall submit to the Secretary and to the appropriate committees of Congress a report containing the results of the study.

''(e) POWERS.—

''(1) HEARINGS.—The panel may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the panel considers advisable to carry out the objectives of this section.

''(2) INFORMATION FROM FEDERAL AGENCIES.—The panel may secure directly from any Federal department or agency such information as the panel considers necessary to carry out the provisions of this section. Upon request of a majority of the members of the panel, the head of such department or agency shall furnish such information to the panel.

''(3) POSTAL SERVICES.—The panel may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

''(f) PERSONNEL.—

''(1) TRAVEL EXPENSES.—The members of the panel shall not receive compensation for the performance of services for the panel, but shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the panel. Notwithstanding section 1342 of title 31, United States Code, the Secretary may accept the voluntary and uncompensated services of members of the panel.

''(2) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the panel without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

''(g) PERMANENT COMMITTEE.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel.

''(h) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2002.

''(2) AVAILABILITY.—Any sums appropriated under the authorization contained in this subsection shall remain available, without fiscal year limitation, until expended.''.

SA 484. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 16, line 4, insert ''servers and storage devices,'' before ''video''.

On page 16, line 5, insert ''and other digital'' after ''web-based''.

On page 16, line 7, strike ''environments for problem-solving'' and insert ''learning environments,''.

On page 37, line 14, insert ''and technology literacy'' after ''skills''.

On page 52, line 21, insert '', including how it will use technology or assist local educational agencies in the use of technology to meet these requirements'' after ''school''.

On page 56, line 3, strike ''and''.

On page 56, line 6, strike the period and insert ''; and''.

On page 56, between lines 6 and 7, insert the following:

''(13) the State will integrate, as appropriate, the use of technology to meet the purposes of this part, including assistance to local educational agencies in the use of technology to meet these purposes, such as for professional development, curricula and instruction delivery, data collection and assessment, and parental involvement.

On page 71, line 24, strike ''and''.

On page 72, line 3, strike the period and the end quote and insert ''and'' after the semi colon.

On page 72, between lines 3 and 4, insert the following:

''(11) a description of how the local educational agency will integrate, as appropriate, the use of technology to meet the purposes of this part, such as for professional development, curricula and instruction, data collection and assessment, and parental involvement.'';.

On page 88, line 22, strike ''and''.

On page 88, line 24, strike the period and insert ''; and''.

On page 88, after line 24, insert the following:

''(ix) describe how the school will use and integrate technology, as appropriate, to address the elements of this paragraph.

On page 182, line 16, insert '', including education technology such as software and other digital curricula,'' after ''materials''.

On page 316, between lines 20 and 21, insert the following:

''(12) a description of how the State educational agency will—

''(A) ensure that all teachers are technology literate and proficient in their ability

to effectively integrate technology into their instruction and curricula; and

''(B) use and encourage the use of technology and distance education to provide professional development and improve the quality of the State's teaching force.

On page 317, line 16, insert '', including through a grant or contract with a for-profit or nonprofit entity'' after ''activities''.

On page 317, line 26, insert '', including technology literacy'' after ''skills''.

On page 319, between lines 19 and 20, insert the following:

''(12) Encouraging and supporting the training of teachers and administrators to effectively integrate technology into curricula and instruction, including the ability to collect, manage, and analyze data to improve teaching, decision making and school improvement efforts and accountability.

''(13) Developing or supporting programs that encourage or expand the use of technology to provide professional development, including through Internet-based distance education and peer networks.

On page 324, line 8, inserting '', including through technology and distance education and by ensuring all teachers and administrators are technology literate and able to effectively integrate technology into curricula and instruction'' before the period.

On page 325, line 18, insert '', including through a grant or contract with a for-profit or nonprofit entity'' after ''activities''.

On page 325, line 25, insert '', including technology literacy,'' after ''skills''.

On page 326, line 2, strike ''and''.

On page 326, line 7, strike the period and insert ''; and''.

On page 326, between lines 7 and 8, insert the following:

''(D) effective integration of technology into curricula and instruction to enhance the learning environment and improve student academic achievement, performance, technology literacy, and related 21st century skills; and

''(E) ability to collect, manage, and analyze data, including through use of technology, to inform teaching, decision making, and school improvement efforts and to increase accountability.

On page 326, line 11, insert '', other for profit or nonprofit entities, and through distance education'' after ''education''.

On page 344, line 5, strike ''and''.

On page 344, line 10, strike the period and insert ''; and''.

On page 344, between lines 10 and 11, insert the following:

''(5) improve and expand training of math and science teachers, including in the effective integration of technology into curricula and instruction.

On page 348, line 8, strike ''and''.

On page 348, line 15, strike the period and insert ''; and''.

On page 348, between lines 15 and 16, insert the following:

''(5) a description of how the activities to be carried out by the eligible partnership will both enable teachers to more effectively integrate technology into the curricula and instruction and, as appropriate, use technology to provide distance training and facilitate peer networks.

On page 349, line 10, insert ''and technology-based teaching methods'' after ''methods''.

On page 349, line 19, strike ''experiment oriented'' and insert ''innovative''.

On page 356, line 21, strike the period and insert '', and to improve the ability of institutions of higher education to carry out such programs''.

On page 358, line 17, insert ''both'' after ''would''.

On page 358, line 24, strike the semi colon and insert ''and to improve the ability of at least 1 participating institution of higher education as described in section 2232(a)(1) to ensure such preparation;''.

Beginning on page 360, strike line 23 through line 7, page 361, and insert the following:

''(A) learn the full range of resources that can be accessed through the use of technology;

''(B) integrate a variety of technologies into the curricula and instruction in order to expand students' knowledge;

''(C) evaluate educational technologies and their potential for use in instruction;

''(D) help students develop their technical skills and ability to be self-directed learners in digital learning environments;

''(E) integrate technology to enhance the degree to which curricula and instruction are engaging, individualized and self-paced, include real-time and real-world content and exploration, promote student collaboration and problem-solving, and enable students to become self-directed and life-long learners; and

''(F) use technology to collect, manage and analyze data to inform their teaching and decision-making;''.

On page 361, strike lines 22 through 24 and insert the following:

''(6) subject to section 2232(c)(2), acquiring technology equipment, networking capabilities, infrastructure and software and digital curriculum to carry out the project.

On page 365, line 10, insert ''and teacher training in technology under section 3122'' before ''prior''.

On page 367, line 24, strike the period and insert ''and have a substantial demonstrated need for assistance in acquiring and integrating technology.''.

On page 369, strike line 3 through line 22, and insert the following:

''(1) outlines the long-term strategies for improving student performance, academic achievement, and technology literacy, and related 21st century skills through the effective use of technology in classrooms throughout the State, including through improving the capacity of teachers to effectively integrate technology into the curricula and instruction;

''(2) outlines long-term strategies for financing technology education in the State to ensure all students, teachers, and classrooms will have access to technology, describes how the State will use funds provided under this part to help ensure such access, and describes how business, industry, and other public and private agencies, including libraries, library literacy programs, and institutions of higher education, can participate in the implementation, ongoing planning, and support of the plan;

''(3) provides assurance that financial assistance provided under this part shall supplement, not supplant, State and local funds;

''(4) describes how the State will encourage and support the integration of innovative technology to enhance the degree to which curricula and instruction are engaging, individualized and self-paced, include real-time and real-world content and exploration, promote student collaboration and problem solving, enables students to become self directed life-long learners, and therefore improve student academic achievement, technology literacy, and related 21st century skills; and

''(5) meets such other criteria as the Secretary may establish in order to enable such agency to provide assistance to local educational agencies that have the highest numbers or percentages of children in poverty and demonstrate the greatest need for technology, in order to enable such local educational agencies, for the benefit of school sites served by such local educational agencies, to improve student academic achievement and student performance.

On page 370, strike line 5 through line 3, page 371, and insert the following:

''(1) acquiring, adapting, expanding, implementing and maintaining existing and new applications of technology, to support the school reform effort, improve student academic achievement, performance, and technology literacy and related 21st century skills;

''(2) providing ongoing professional development in the integration of quality educational technologies into school curriculum to enable teachers to enhance the degree to which curricula and instruction are engaging, individualized and self-paced, including real-time and real-world content and exploration, promote student collaboration and problem solving, enable students to become self-directed life-long learners, and therefore improve student academic achievement, technology literacy and 21 century skills, including connectivity linkages, resources, and services, such as hardware, software, and digital curriculum, for use by teachers, students, and school library media personnel in the classroom or in school library media centers;

''(3) acquiring connectivity with wide area networks for purposes of accessing information, educational programming sources and professional development, particularly with institutions of higher education and public libraries;

''(4) providing educational services for adults and families;

''(5) repairing and maintaining school technology equipment;

''(6) acquiring, expanding, and implementing technology to collect, manage, and analyze data, including student achievement data, to inform teaching, decision-making, and school improvement efforts, including the training of teachers and administrators; and

''(7) using technology to promote parent and family involvement and support communications between parents, teachers, and students.

''(b) SPECIAL RULE.—A local educational agency receiving a grant under this part shall use at least 30 percent of allocated funds to provide, either directly or through a grant or contract with a for-profit or nonprofit entity, sustained and intensive high-quality professional development to enable teachers and administrators to more effectively integrate technology into curricula and instruction to enhance learning environments, including training in the use of technology to—

''(1) access data and resources to develop curricula and instructional materials and integrate such data and resources into the curricula and instruction;

''(2) enable teachers to use the Internet to communicate with parents, administrators, and other teachers and retrieve Internet-based learning resources;

''(3) lead to improvements in classroom instruction in the core academic subject areas to better prepare students to meet challenging State content and student performance standards;

''(4) enhance the degree to which curricula and instruction are engaging, individualized

and self-paced, include real-time and real-world content and exploration, promote student collaboration and problem-solving, enable students to become self-directed life-long learners, and therefore improve student academic achievement, technology literacy and related 21st century skills; and

''(5) collect, manage, and analyze data, including student achievement data, to inform teaching, decision making and school improvement efforts and to increase accountability.

Beginning on page 371, strike line 14 through line 13, page 373, and insert the following:

''(1) a description of how the activities to be carried out by the local educational agency under this part will be based on a review of relevant research and an explanation of why the activities are expected to improve student achievement, technology literacy and related 21st century skills;

''(2) an explanation of how the acquired technologies will be integrated into the curriculum to help the local educational agency improve student academic achievement, student performance, and teaching, including by enhancing the degree to which curricula and instruction are engaging, individualized and self-paced, include real-time and real-world content and exploration, promote student collaboration and problem solving, and enable students to be self-directed, life-long learners;

''(3) a description of the type of technologies to be acquired, including services, software, and digital curricula, including specific provisions for interoperability among components of such technologies;

''(4) a description of how the local educational agency will ensure ongoing, sustained professional development for teachers, administrators, and school library media personnel served by the local educational agency to further the effective use of technology in the classroom or library media center, including a list of those entities that will partner with the local educational agency in providing ongoing sustained professional development;

''(5) the projected cost of technologies to be acquired and related expenses needed to implement the plan;

''(6) a description of how the local educational agency will coordinate the technology provided pursuant to this part with other grant funds available for technology from other Federal, State, and local sources;

''(7) a description of a process for the ongoing evaluation of how technologies acquired under this part will be integrated into the school curriculum; and will affect student academic achievement, performance, technology literacy, and related 21st century skills as related to challenging State content standards and State student performance standards in all subjects; and

''(8) a description of the evaluation plan that the local educational agency will carry out pursuant to section 2308(a).

Beginning on page 374, strike line 19 through line 2, page 375, and insert the following:

''(1) increased professional development and increased effective use of technology in educating students;

''(2) increased student academic achievement, performance, and technology literacy and related 21st century skills;

''(3) increased access to technology in the classroom, especially in low-income schools;

''(4) increased degree to which curricula and instruction are engaging, individualized and self-paced, promote student collaboration and problem solving, and enable students to become self-directed, life-long learners; and

''(5) other indicators reflecting increased student academic achievement or student performance.

On page 375, line 13, strike ''in all of the areas''.

On page 379, strike line 4 through line 19, and insert the following:

''(5) EXCHANGE.—The plan shall describe the manner in which the Secretary will promote the exchange of information among States, local educational agencies, schools, consortia, and other entities concerning the conditions and practices that support effective use of technology in improving teaching and student educational opportunities, academic achievement, and technology literacy.

''(6) GOALS.—The plan shall describe the Secretary's long-range measurable goals and objectives relating to the purposes of this part.''

SA 485. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 349, line 18, strike the quote and period.

On page 349, between lines 18 and 19, insert the following:

''SEC. 2311. NATIONAL TECHNOLOGY INITIATIVES.

''(a) IN GENERAL.—The Secretary shall establish a program to identify and disseminate the practices under which technology is effectively integrated into education to enhance teaching and learning and to improve student achievement, performance and technology literacy.

''(b) USE OF FUNDS.—In carrying out the program established under subsection (a), the Secretary shall—

''(1) organize activities to identify and disseminate findings regarding the conditions and practices under which educational technology is effective in increasing student academic achievement;

''(2) organize activities to identify and disseminate findings regarding the conditions and practices that increase the ability of teachers to effectively integrate technology into the curricula and instruction, enhance the learning environment and opportunities, and increase student performance, technology literacy, and related 21st century skills;

''(3) conduct, through the Office of Educational Research and Improvement, in consultation with the Office of Educational Technology, an independent, longitudinal study using control groups on the effectiveness of the uses of educational technology;

''(4) award grants or contracts, pursuant to a peer review process, to fund the independent evaluations of programs that are comprehensive, innovative, or research-based and integrate technology into teaching and learning;

''(5) develop tools and provide resources, including technical assistance, to support the activities described in this section; and

''(6) make widely available, including through dissemination on the Internet and to all State educational agencies and other grantees under this section, the findings identified through the activities of this section regarding the conditions and practices under which education technology is effective.

''(c) PERMISSIVE USE.—

''(1) IN GENERAL.—In carrying out the program established under subsection (a), the Secretary may award grants, pursuant to a peer review process, to local educational agencies or partnerships for research-based or innovative programs that use technology in education.

''(2) PARTNERSHIP.—In this subsection, the term 'partnership' means a local educational agency and a State, institution of higher education, or public or private nonprofit entity or agency.

''(3) PRIORITY.—In awarding grants under paragraph (1), the Secretary shall give priority to projects that—

''(A) develop innovative models using electronic networks or other forms of distance learning to provide challenging courses which are otherwise not readily available to students in a particular school district, particularly in rural areas;

''(B) increase access to technology to those residing in districts served by high-need local educational agencies;

''(C) implement comprehensive models that use innovative, proven, or research-based practices, integrate technology into the curricula and instruction, and enhance the learning environment to improve student academic achievement and technology literacy; and

''(D) are carried out by a partnership.

''(4) APPLICATION.—A local educational agency or partnership desiring a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

''(A) a description of the project and how it would achieve the purposes of this subsection;

''(B) a detailed plan for the independent evaluation of the project to determine the impact on the academic achievement of students served under such project, including as appropriate those conditions and practices that increase the ability of teachers to effectively integrate technology into the curricula and instruction, that enhance the learning environment and opportunities, and that increase student performance, technology literacy, and related 21st century skills;

''(C) a detailed plan to make widely available, including through dissemination on the Internet and to other local educational agencies in the State, the findings identified through the project; and

''(D) as appropriate, a detailed plan for making widely available, including to other local educational agencies in the State, the opportunity to directly participate in or benefit from the activities carried out by the project.

''(d) TECHNICAL ASSISTANCE.—The Secretary may provide technical assistance to States, local educational agencies, and other grantees under this section (directly or through the competitive award of grants or contracts) in order to assist such States, local educational agencies, and other grantees to achieve the purposes of this section.

''(e) NON-FEDERAL SHARE.—

''(1) IN GENERAL.—The Secretary may require any recipient of a grant or contract under this section to share in the cost of the activities assisted under such grant or contract, which may be in the form of cash or in-kind contributions fairly valued.

''(2) INCREASE.—The Secretary may increase the non-Federal share required of a recipient of a grant or contract under this section after the first year such recipient receives funds under such grant or contract.

''(3) MAXIMUM.—The non-Federal share required under this subsection may not exceed 50 percent of the cost of the activities assisted under a grant or contract under this section.

''(4) NOTICE.—The Secretary shall publish in the Federal Register the non-Federal share required under this section.

''(f) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

''(2) LIMITATION.—Not more than 5 percent of the funds made available to a recipient under this section for any fiscal year may be used by such recipient for administrative costs.''.

SA 486. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 586, between lines 18 and 19, insert the following:

SEC. 405. SMALLER LEARNING COMMUNITIES.

Title IV (20 U.S.C. 7101 et seq.) is further amended by adding at the end the following:

''PART E—SMALLER LEARNING COMMUNITIES

''SEC. 4501. SMALLER LEARNING COMMUNITIES.

''(a) IN GENERAL.—Each local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall describe—

''(1) strategies and methods the applicant will use to create the smaller learning community or communities;

''(2) curriculum and instructional practices, including any particular themes or emphases, to be used in the learning environment;

''(3) the extent of involvement of teachers and other school personnel in investigating, designing, implementing and sustaining the smaller learning community or communities;

''(4) the process to be used for involving students, parents and other stakeholders in the development and implementation of the smaller learning community or communities;

''(5) any cooperation or collaboration among community agencies, organizations, businesses, and others to develop or implement a plan to create the smaller learning community or communities;

''(6) the training and professional development activities that will be offered to teachers and others involved in the activities assisted under this part;

''(7) the goals and objectives of the activities assisted under this part, including a description of how such activities will better enable all students to reach challenging State content standards and State student performance standards;

''(8) the methods by which the applicant will assess progress in meeting such goals and objectives;

''(9) if the smaller learning community or communities exist as a school-within-a-school, the relationship, including governance and administration, of the smaller learning community to the rest of the school;

''(10) a description of the administrative and managerial relationship between the local educational agency and the smaller learning community or communities, including how such agency will demonstrate a commitment to the continuity of the smaller learning community or communities, including the continuity of student and teacher assignment to a particular learning community;

''(11) how the applicant will coordinate or use funds provided under this part with other funds provided under this Act or other Federal laws;

''(12) grade levels or ages of students who will participate in the smaller learning community or communities; and

''(13) the method of placing students in the smaller learning community or communities, such that students are not placed according to ability, performance or any other measure, so that students are placed at random or by their own choice, not pursuant to testing or other judgments.

''(b) AUTHORIZED ACTIVITIES.—Funds under this section may be used—

''(1) to study the feasibility of creating the smaller learning community or communities as well as effective and innovative organizational and instructional strategies that will be used in the smaller learning community or communities;

''(2) to research, develop and implement strategies for creating the smaller learning community or communities, as well as effective and innovative changes in curriculum and instruction, geared to high State content standards and State student performance standards;

''(3) to provide professional development for school staff in innovative teaching methods that challenge and engage students to be used in the smaller learning community or communities; and

''(4) to develop and implement strategies to include parents, business representatives, local institutions of higher education, community-based organizations, and other community members in the smaller learning communities, as facilitators of activities that enable teachers to participate in professional development activities, as well as to provide links between students and their community.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, such sums as may be necessary for fiscal year 2002 and for each of the next 6 succeeding fiscal years.''.

SA 487. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF SENATE ON THE PERCENTAGE OF FEDERAL EDUCATION FUNDING THAT IS SPENT IN THE CLASSROOM.

(a) FINDINGS.—The Senate makes the following findings:

(1) Effective and meaningful teaching begins by helping children master basic academics, holding children to high academic standards, using sound research based methods of instruction in the classroom, engaging and involving parents, establishing and maintaining safe and orderly classrooms, and getting funds to the classroom.

(2) America's children deserve an educational system that provides them with numerous opportunities to excel.

(3) States and localities spend a significant amount of education tax dollars on bureaucratic red tape by applying for and administering Federal education dollars.

(4) Several States have reported that although they receive less than 10 percent of their education funding from the Federal Government, more than 50 percent of their education paperwork and administration efforts are associated with those Federal funds.

(5) According to the Department of Education, in 1998, 84 percent of the funds allocated by the Department for elementary and secondary education were allocated to local educational agencies and used for instruction and instructional support.

(6) The remainder of the funds allocated by the Department of Education for elementary and secondary education in 1998 was allocated to States, universities, national programs, and other service providers.

(7) The total spent by the Department of Education for elementary and secondary education does not take into account what States spend to receive Federal funds and comply with Federal requirements for elementary and secondary education, nor does it reflect the percentage of Federal funds allocated to school districts that is spent on students in the classroom.

(8) American students are not performing up to their full academic potential, despite significant Federal education initiatives and funding from a variety of Federal agencies.

(9) According to the Digest of Education Statistics, only 54 percent of $278,965,657,000 spent on elementary and secondary education during the 1995–96 school year was spent on ''instruction''.

(10) According to the National Center for Education Statistics, only 52 percent of staff employed in public elementary and secondary school systems in 1996 were teachers, and, according to the General Accounting Office, Federal education dollars funded 13,397 full-time equivalent positions in State educational agencies in fiscal year 1993.

(11) In fiscal year 1998, the paperwork and data reporting requirements of the Department of Education amounted to 40,000,000 so-called ''burden hours'', which is equivalent to nearly 20,000 people working 40 hours a week for one full year, time and energy which would be better spent teaching children in the classroom.

(12) Too large a percentage of Federal education funds is spent on bureaucracy, special interests, and ineffective programs, and too little is effectively and efficiently spent on our America's youth.

(13) Requiring an allocation of 95 percent of all Federal elementary and secondary education funds to classrooms would provide substantial additional funding per classroom across the United States.

(14) More education funding should be put in the hands of someone in a classroom who knows the children personally and frequently interacts with the children.

(15) Burdensome regulations, requirements, and mandates should be refined, consolidated or removed so that school districts can devote more resources to educating children in classrooms.

(b) SENSE OF THE SENATE.—It is the sense of the Senate to urge the Department of Education, the States, and local educational agencies to work together to ensure that not less than 95 percent of all funds appropriated for carrying out elementary and secondary

education programs administered by the Department be spent to improve the academic achievement of our children in their classrooms.

SA 488. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. ___. STUDY AND RECOMMENDATION WITH RESPECT TO SEXUAL ABUSE IN SCHOOLS.

(a) FINDINGS.—Congress finds that—

(1) sexual abuse in schools between a student and a member of the school staff or a student and another student is a cause for concern in the United States;

(2) relatively few studies have been conducted on sexual abuse in schools and the extent of this problem is unknown;

(3) according to the Child Abuse and Neglect Reporting Act, a school administrator is required to report any allegation of sexual abuse to the appropriate authorities;

(4) an individual who is falsely accused of sexual misconduct with a student deserves appropriate legal and professional protections;

(5) it is estimated that many cases of sexual abuse in schools are not reported; and

(6) many of the accused staff quietly resign at their present school district and are then rehired at a new district which has no knowledge of their alleged abuse.

(b) STUDY AND RECOMMENDATIONS.—The Secretary of Education in conjunction with the Attorney General shall provide for the conduct of a comprehensive study of the prevalence of sexual abuse in schools. Not later than May 1, 2002, the Secretary and the Attorney General shall prepare and submit to the appropriate committees of Congress and to State and local governments, a report concerning the study conducted under this subsection, including recommendations and legislative remedies for the problem of sexual abuse in schools.

SA 489. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING AFFORDABLE HOUSING.

(a) FINDINGS.—The Senate finds that—

(1) according to the National Low-Income Housing Coalition, there is no county, metro area or state in the country where a full-time minimum wage worker can afford the fair market rent for a 1-, 2- or 3-bedroom home;

(2) the national median housing wage is $12.47 an hour, more than twice the Federal minimum wage of $5.15 per hour;

(3) 4,900,000 unassisted renter households in 1999 had worst-case housing needs, paying more than half of their income for housing, or living in severely substandard housing;

(4) an additional 5,000,000 assisted renter households may also live in substandard housing;

(5) as many as 1,000,000 people are homeless in the United States;

(6) of the 34,000,000 renter households in the United States, 7,700,000 have extremely low incomes (defined as 30 percent of the area median income or less);

(7) besides low-wage workers, the population of extremely low-income rental households includes elderly and disabled people whose only income is from Supplemental Security Income or other fixed income sources;

(8) in the aggregate, there are only 4,900,000 units of rental housing that are affordable to these households, thus an absolute shortage of 2,800,000 units;

(9) only 2,300,000 of the available 4,900,000 affordable rental units are actually occupied by extremely low-income households;

(10) overall, there is a shortage of 5,300,000 units, affordable for the poorest renter households; and

(11) the lack of stable housing affects the ability of children to succeed in school, and children who are homeless struggle in school, as evidenced by the facts that—

(A) 45 percent of children who are homeless do not attend school on a regular basis while they are homeless; and

(B) compared with other children, children who are homeless are 4 times as likely to have development delays, twice as likely to have learning disabilities, and twice as likely to repeat a grade, most often due to frequent absences and moves to new schools.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) many communities across the United States, urban and rural, large and small, are experiencing a severe affordable housing crisis;

(2) safe, stable, affordable housing is critical to the well-being of families and children;

(3) safe, stable, affordable housing is critical to the ability of children to succeed in school; and

(4) this Congress should consider legislation that would begin to address the current affordable housing crisis, including legislation to promote the production of new affordable housing units and legislation to preserve existing affordable housing units.

SA 490. Mr. WELLSTONE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. ___. REDUCTION OF CHILD POVERTY.

(a) REPORT TO CONGRESS REGARDING EXTENT AND SEVERITY OF CHILD POVERTY.—

(1) IN GENERAL.—Not later than January 1, 2002, and prior to any reauthorization of the temporary assistance to needy families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) for any fiscal year after fiscal year 2002, the Secretary of Health and Human Services (in this subsection referred to as the ''Secretary''), subject to paragraph (3), shall report to Congress on the extent and severity of child poverty in the United States. Such report shall, at a minimum—

(A) determine for the period since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105)—

(i) whether the rate of child poverty in the United States has increased;

(ii) whether the children who live in poverty in the United States have gotten poorer; and

(iii) how changes in the availability of cash and non-cash benefits to poor families have affected child poverty in the United States;

(B) identify alternative methods for defining child poverty that are based on consideration of factors other than family income and resources, including consideration of a family's work-related expenses; and

(C) contain multiple measures of child poverty in the United States that may include the child poverty gap and the extreme poverty rate.

(2) LEGISLATIVE PROPOSAL.—If the Secretary determines that during the period since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105) the extent or severity of child poverty in the United States has increased to any extent, the Secretary, subject to paragraph (3), shall include with the report to Congress required under paragraph (1) a legislative proposal addressing the factors that led to such increase.

(3) CONSULTATION REQUIRED.—The Secretary shall consult with appropriate experts in the field of child poverty in preparing the report and, if applicable, the legislative proposal, required under this subsection.

(b) ADDITION OF POVERTY REDUCTION BONUS TO TANF.—Section 403(a) of the Social Security Act (42 U.S.C. 603(a)), is amended by adding at the end the following:

''(6) BONUS TO REWARD STATES THAT REDUCE POVERTY.—

''(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State for each fiscal year beginning with fiscal year 2003 for which the State is a qualified poverty reduction State, as determined under subparagraph (C).

''(B) AMOUNT OF GRANT.—With respect to a fiscal year, each State that the Secretary determines is a qualified poverty reduction State for that fiscal year shall receive a grant in an amount equal to the ratio of the amount appropriated under subparagraph (D) for that fiscal year to the total number of all such States for that fiscal year.

''(C) DETERMINATION OF QUALIFIED POVERTY REDUCTION STATES.—

''(i) DEMONSTRATION OF IMPROVED OUTCOMES FOR CURRENT AND FORMER RECIPIENTS OF ASSISTANCE.—For purposes of subparagraph (A), a State shall be considered a qualified poverty reduction State for a fiscal year if, with respect to the fiscal year, the State is one of the 10 States with the greatest year-to-year decline (or least year-to-year increase) in the child poverty rate adjusted by the severity of poverty. For purposes of this subclause, the child poverty rate adjusted by the severity of poverty shall be determined with respect to a State for a fiscal year by multiplying—

''(I) the State's percentage of children with family income below the poverty line for that fiscal year; by

''(II) the average difference per poor child in the State between the child's family income and the poverty line.

''(ii) DETERMINATION OF INCOME.—For purposes of clause (i), the Secretary shall, to the extent feasible, consider the following in calculating a family's income:

''(I) Cash income, such as earnings, child support received by the family, and government cash payments.

''(II) Benefits received under the Food Stamp Act of 1977.

''(III) Federal, State, or local income taxes paid by the family for the preceding taxable year and the refundable portion of any tax credits received for that year.

''(D) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for

fiscal year 2002 and each fiscal year thereafter, $200,000,000 to make the grants required under this paragraph.''.

SA 491. Mr. BIDEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . TECHNICAL AMENDMENT TO THE KIDS 2000 ACT.

Amounts appropriated pursuant to section 112(f)(1) of the Kids 2000 Act (42 U.S.C. 13751 note) and the initiative to be carried out under such Act shall be administered by the Secretary of Education.

SA 492. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

SEC. . STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

At the appropriate place insert the following:

(a) ESTABLISHMENT OF PANEL.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling.

(b) CONTENTS OF STUDY.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sports books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) REPORT TO CONGRESS.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendations for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SA 493. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . INCREASED PENALTIES FOR ILLEGAL GAMBLING.

(a) INTERSTATE TRANSMISSION OF BETS OR INFORMATION ASSISTING IN PLACING BETS ON SPORTING EVENTS.—Section 1084(a) of title 18, United States Code, is amended by striking ''two'' and inserting ''5''.

(b) INTERSTATE TRANSPORTATION OF WAGERING PARAPHERNALIA.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: ''If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''

(c) ILLEGAL GAMBLING BUSINESS.—Section 1955(a) of title 18, United States Code, is amended by adding at the end the following: ''If the gambling business included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

(d) INTERSTATE TRAVEL TO PROMOTE AND CONDUCT AN ILLEGAL GAMBLING BUSINESS.—Section 1952 of title 18, United States Code, is amended by adding at the end the following: ''(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''

(e) SPORTS BRIBERY.—Section 224(a) of title 18, United States Code, is amended by adding at the end the following: ''If the purpose of the bribery is to affect the outcome of a bet or wager placed on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''

SA 494. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . NATIONAL MINIMUM GAMBLING AGE.

Notwithstanding any other provision of law it shall be unlawful for a governmental entity to authorize by law or compact that a person under the age of 21 years may place a wager or otherwise engage in organized gambling activity. A civil action to enjoin a violation of this subsection may be commenced in an appropriate district court of the United States by Attorney General of the United States.

SA 495. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . INCREASED PENALTIES FOR ILLEGAL GAMBLING.

(a) INTERSTATE TRANSMISSION OF BETS OR INFORMATION ASSISTING IN PLACING BETS ON SPORTING EVENTS.—Section 1084(a) of title 18, United States Code, is amended by striking ''two'' and inserting ''5''.

(b) INTERSTATE TRANSPORTING OF WAGERING PARAPHERNALIA.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: ''If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''

(c) ILLEGAL GAMBLING BUSINESS.—Section 1955(a) of title 18, United States Code, is amended by adding at the end the following: ''If the gambling business included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

(d) INTERSTATE TRAVEL TO PROMOTE AND CONDUCT AN ILLEGAL GAMBLING BUSINESS.—Section 1952 of title 18, United States Code, is amended by adding at the end the following: ''(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

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SA 496. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . INCREASED PENALTIES FOR ILLEGAL GAMBLING.

(a) INTERSTATE TRANSMISSION OF BETS OR INFORMATION ASSISTING IN PLACING BETS ON SPORTING EVENTS.—Section 1084(a) of title 18, United States Code, is amended by striking ''two'' and inserting ''5''.

(b) INTERSTATE TRANSPORTATION OF WAGERING PARAPHERNALIA.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: ''If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be

used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''

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(d) INTERSTATE TRAVEL TO PROMOTE AND CONDUCT AN ILLEGAL GAMBLING BUSINESS.—Section 1952 of title 18, United States Code, is amended by adding at the end the following: ''(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

(e) SPORTS BRIBERY.—Section 224(a) of title 18, United States Code, is amended by adding at the end the following: ''If the purpose of the bribery is to affect the outcome of a bet or wager placed on any sporting event or contest, the maximum term of imprisonment for the offense shall by 10 years.''

SA 497. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

(a) ESTABLISHMENT OF PANEL.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling

(b) CONTENTS OF STUDY.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sport books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) REPORT TO CONGRESS.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendations for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SA 498. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

(a) ESTABLISHMENT OF PANEL.—Not later than 90 days after the date of enactment of this Act, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling

(b) CONTENTS OF STUDY.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sports books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) REPORT TO CONGRESS.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendations for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SA 499. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . NATIONAL MINIMUM GAMBLING AGE.

Notwithstanding any other provision of law it shall be unlawful for a governmental entity to authorize by law or compact that a person under the age of 21 years may place a wager or otherwise engage in organized gambling activity. A civil action to enjoin a violation of this subsection may be commenced in an appropriate district court of the United States by the Attorney General of the United States.

SA 500. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . NATIONAL MINIMUM GAMBLING AGE.

Notwithstanding any other provision of law it shall be unlawful for a governmental entity to authorize by law or compact that a person under the age of 21 years may place a wager or otherwise engage in organized gambling activity. A civil action to enjoin a violation of this subsection may be commenced in an appropriate district court of the United States by Attorney General of the United States.

SA 501. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. ___. BLOCK GRANT OPTIONS.

(a) STATE OPTIONS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, each State shall notify the Secretary regarding the State's election to receive the State's portion of the applicable funding described in paragraph (2) according to one of the following options:

(A) STATE BLOCK GRANT OPTION.—The State may receive the funding pursuant to a State allotment described in subsection (b)(1)(A).

(B) LOCAL BLOCK GRANT OPTION.—The State may direct the Secretary to send the funding directly to local educational agencies in the State pursuant to a local allotment described in subsection (b)(1)(B).

(C) FEDERAL STATUTE OPTION.—The State may receive the funding according to the provisions of law described in paragraph (2).

(2) APPLICABLE FUNDING.—In this subsection, the term ''applicable funding'' means all funds that are appropriated for the Department of Education for fiscal year 2002 or any succeeding fiscal year to carry out programs or activities under the following provisions of law:

(A) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) (as amended by this Act), other than titles VII and VIII of that Act.

(B) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(C) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(b) BLOCK GRANTS.—

(1) ALLOTMENTS.—

(A) STATES.—From the total applicable funding available for a fiscal year, the Secretary may make allotments to each State selecting the option described in subsection (a)(1)(A) in an amount that bears the same relation to such total applicable funding as the number of individuals in the State who are aged 5 through 17 bears to the total number of such individuals in all States.

(B) LOCAL EDUCATIONAL AGENCIES.—From the total applicable funding available for a fiscal year, the Secretary may make allotments to each local educational agency in a State selecting the option described in subsection (a)(1)(B) in an amount that bears the same relation to such total applicable funding as the number of individuals in the school district served by the local educational agency who are aged 5 through 17 bears to the total number of such individuals in all school districts served by all local educational agencies in all States.

(C) ENROLLMENT DETERMINATION.—The Secretary shall determine the number of children described in subparagraphs (A) and (B)—

(i) for the academic year for which the determination is made, after the beginning of the academic year; and

(ii) on the basis of the most recent data available to the Secretary.

(2) DISTRIBUTION OF ALLOTTED FUNDS.—

(A) RESERVATIONS.—

(i) STATES.—Each State that receives funds allotted under paragraph (1) may reserve not more than 1 percent of the funds for the cost of administration, evaluation, reporting, and other activities related to activities assisted under this section.

(ii) LOCAL EDUCATIONAL AGENCIES.—Each local educational agency that receives funds allotted under paragraph (1) may reserve not more than 2 percent of the funds for the costs of administration, overhead costs, or indirect costs.

(B) AWARDS.—In States selecting the State block grant option described in subsection (a)(1)(A), all funds allotted under paragraph (1)(A) that are not reserved under subparagraph (A)(i) shall be made available, in accordance with subparagraph (C), on behalf of each student who resides in the State and is enrolled in a public elementary school or secondary school, or in a private or home elementary school or secondary school, located in the State. In States selecting the local block grant option described in subsection (a)(1)(B), all funds allotted under paragraph (1)(B) that are not reserved under subparagraph (A)(ii) shall be made available, in accordance with subparagraph (C), on behalf of each student who resides in the school district served by a local educational agency and is enrolled in a public elementary school or secondary school, or in a private elementary school or secondary school, in the school district. In States selecting the State block grant option or the local block grant option, the amount allotted on behalf of each student shall be adjusted in accordance with subparagraph (E).

(C) RECIPIENTS.—Funds awarded under subparagraph (B)—

(i) in the case of a public school student, including a charter school student, shall be made available to the public school or charter school, respectively; and

(ii) in the case of a private school student, shall be made available to the parent or legal guardian of the student.

(D) USES.—

(i) PUBLIC SCHOOL STUDENTS.—Each public school that receives assistance under this section shall use the assistance for any qualified elementary and secondary education expenses.

(ii) PRIVATE SCHOOL STUDENTS.—Each parent or guardian of a private school student that receives assistance under this Act shall use the assistance to pay the costs of attendance at the private school.

(E) ADJUSTMENTS.—A State or local educational agency shall adjust the amount awarded for students under subparagraph (B) to account for—

(i) high need students, such as students from poor families and students with limited English proficiency; or

(ii) different costs of living in urban and rural areas.

(c) FEDERAL STATUTE OPTIONS.—

(1) IN GENERAL.—From the applicable funding that remains after making the allotments under subparagraphs (A) and (B) of subsection (b)(1) for a fiscal year, the Secretary may make awards according to the provisions of law described in subsection (a)(2), to State and local recipients, in States selecting the option described in subsection (a)(1)(C).

(2) PERCENTAGE REDUCTIONS.—The Secretary, after making the allotments under subparagraphs (A) and (B) of subsection (b)(1) for a fiscal year, shall reduce the total amount of applicable funding available to carry out the provisions of law described in subsection (a)(2) for the fiscal year, for any State selecting the option described in subsection (a)(1)(C), by an equal percentage for each such provision.

(d) ACCOUNTABILITY.—

(1) IN GENERAL.—Each entity receiving assistance under this section shall—

(A) use the funds to supplement and not supplant State and local funds; and

(B) involve parents and members of the public in planning for the use of funds provided under this section, such as through a representative advisory committee.

(2) REPORTS.—

(A) IN GENERAL.—Each local educational agency receiving an allotment under this section shall prepare and submit to the State, and each State receiving an allotment under this section shall prepare and submit to Congress, a report regarding the distribution and use of the allotted funds, and how the use of the funds effects student achievement.

(B) AVAILABILITY.—Each State and local educational agency submitting a report under subparagraph (A) shall make copies of the report available to parents and other members of the public.

(C) SPECIAL RULE.—Each State or local educational agency receiving an allotment under this section that has developed or established challenging content or student performance standards shall include in the report submitted under subparagraph (A) information regarding student achievement with respect to the standards.

(e) DEFINITIONS.—In this section:

(1) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given the term in section 3(18) of the Elementary and Secondary Education Act of 1965 (as amended by this Act).

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term ''qualified elementary and secondary education expenses'' means—

(A) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of a student at a school; or

(B) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a school in connection with such enrollment or attendance.

(3) SCHOOL.—The term ''school'' means any school that provides kindergarten education, elementary education or secondary education, as determined under State law.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

(5) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the United States Virgin Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

SA 502. Mr. ALLEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. 1. THE EDUCATION OPPORTUNITY TAX RELIEF; SHORT TITLE.

This Act may be cited as the ''Education Opportunity Tax Credit Act''.

SEC. 2. REFUNDABLE CREDIT FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

''SEC. 35. CREDIT FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual who maintains a household which includes as a member one or more qualifying students (as defined in subsection (b)(1)), there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the

qualified elementary and secondary education expenses with respect to such students which are paid or incurred by the individual during such taxable year.

''(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed the greater of—

''(1) $1000 per qualifying student, or

''(2) $2000.

''(c) QUALIFYING STUDENT.—For purposes of this section, the term ''qualifying student'' means a dependent of the taxpayer (within the meaning of section 152) who is enrolled in school on a full-time basis.

''(d) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means tutoring and computer technology or equipment expenses.

''(2) COMPUTER TECHNOLOGY OR EQUIPMENT.—The term 'computer technology or equipment' has the meaning given such term by section 170(e)(6)(E)(i) and includes Internet access and related services.

''(e) SCHOOL.—For purposes of this section, the term 'school' means any public, charter, private, religious, or home school which provides elementary education or secondary education (through grade 12), as determined under State law.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

''(g) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.''.

(b) CONFORMING AMENDMENTS.

(1) Section 1324(b)(2) of title 31, United States Code, is amended by striking ''or'' before ''enacted'' and by inserting before the period at the end '', or from section 35 of such Code''.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 35 and inserting the following new items:

''Sec. 35. Credit for elementary and secondary school expenses.

''Sec. 36. Overpayments of tax.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 503. Mr. BENNETT (for himself, Ms. COLLINS, and Mr. CONRAD) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 649, line 4, strike ''(1)'' and insert ''(1)(A)''.

On page 649, line 6, strike ''and'' and insert ''or''.

On page 649, between lines 6 and 7, insert the following:

''(B) each county in which a school served by the local educational agency is located has a total population density of less than 10 persons per square mile; and''.

On page 651, line 3, strike ''(1)'' and insert ''(1)(A)''.

On page 651, line 5, strike ''and'' and insert ''or''.

On page 651, between lines 5 and 6, insert the following:

''(B) each county in which a school served by the local educational agency is located has a total population density of less than 10 persons per square mile; and''.

SA 504. Mr. BENNETT submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, line 6, strike ''32'' and insert ''36''.

SA 505. Mr. CAMPBELL submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

TITLE ____—NATIVE AMERICAN EDUCATION IMPROVEMENT

SEC. ____001. SHORT TITLE.

This title may be cited as the ''Native American Education Improvement Act of 2001''.

Subtitle A—Amendments to the Education Amendments of 1978

SEC. ____101. AMENDMENTS TO THE EDUCATION AMENDMENTS OF 1978.

Part B of title XI of the Education Amendments of 1978 (25 U.S.C. 2001 et seq.) is amended to read as follows:

''PART B—BUREAU OF INDIAN AFFAIRS PROGRAMS

''SEC. 1120. FINDING AND POLICY.

''(a) FINDING.—Congress finds and recognizes that—

''(1) the Federal Government's unique and continuing trust relationship with and responsibility to the Indian people includes the education of Indian children; and

''(2) the Federal Government has the responsibility for the operation and financial support of the Bureau of Indian Affairs funded school system that the Federal Government has established on or near reservations and Indian trust lands throughout the Nation for Indian children.

''(b) POLICY.—It is the policy of the United States to work in full cooperation with tribes toward the goal of assuring that the programs of the Bureau of Indian Affairs funded school system are of the highest quality and provide for the basic elementary and secondary educational needs of Indian children, including meeting the unique educational and cultural needs of these children.

''SEC. 1121. ACCREDITATION FOR THE BASIC EDUCATION OF INDIAN CHILDREN IN BUREAU OF INDIAN AFFAIRS SCHOOLS.

''(a) PURPOSE; DECLARATIONS OF PURPOSE.—

''(1) PURPOSE.—The purpose of the accreditation required under this section shall be to ensure that Indian students being served by a school funded by the Bureau of Indian Affairs are provided with educational opportunities that equal or exceed those for all other students in the United States.

''(2) DECLARATIONS OF PURPOSE.—

''(A) IN GENERAL.—Local school boards for schools operated by the Bureau of Indian Affairs, in cooperation and consultation with the appropriate tribal governing bodies and their communities, are encouraged to adopt declarations of purpose for education for their communities, taking into account the implications of such declarations on education in their communities and for their schools. In adopting such declarations of purpose, the school boards shall consider the effect the declarations may have on the motivation of students and faculties.

''(B) CONTENTS.—A declaration of purpose for a community shall—

''(i) represent the aspirations of the community for the kinds of people the community would like the community's children to become; and

''(ii) contain an expression of the community's desires that all students in the community shall—

''(I) become accomplished in things and ways important to the students and respected by their parents and community;

''(II) shape worthwhile and satisfying lives for themselves;

''(III) exemplify the best values of the community and humankind; and

''(IV) become increasingly effective in shaping the character and quality of the world all students share.

''(b) ACCREDITATION.—

''(1) DEADLINE.—

''(A) IN GENERAL.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, each Bureau funded school shall, to the extent that necessary funds are provided, be a candidate for accreditation or be accredited—

''(i) by a tribal department of education if such accreditation is accepted by a generally recognized State certification or regional accrediting agency;

''(ii) by a regional accreditation agency;

''(iii) in accordance with State accreditation standards for the State in which the school is located; or

''(iv) in the case of a school that is located on a reservation that is located in more than 1 State, in accordance with the State accreditation standards of 1 State as selected by the tribal government.

''(B) FEASIBILITY STUDY.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary of the Interior and the Secretary of Education shall, in conjunction with Indian tribes, Indian education organizations, and accrediting agencies, develop and submit to the appropriate Committees of Congress a report on the desirability and feasibility of establishing a National Tribal Accreditation Agency that would serve as an accrediting body for Bureau funded schools.

''(2) DETERMINATION OF ACCREDITATION TO BE APPLIED.—The accreditation type applied for each school shall be determined by the school board of the school, in consultation with the Administrator of the school, provided that in the case where the School Board and the Administrator fail to agree on the type of accreditation to apply, the decision of the school board with the approval of the tribal governing body shall be final.

''(3) ASSISTANCE TO SCHOOL BOARDS.—The Secretary, through contracts and grants, shall provide technical and financial assistance to Bureau funded schools, to the extent that necessary amounts are made available, to enable such schools to obtain the accreditation required under this subsection, if the school boards request that such assistance, in part or in whole, be provided. The Secretary may provide such assistance directly or through the Department of Education, an institution of higher education, a private not-for profit organization or for-profit organization, an educational service agency, or another entity with demonstrated experience in assisting schools in obtaining accreditation.

''(4) APPLICATION OF CURRENT STANDARDS DURING ACCREDITATION.—A Bureau funded school that is seeking accreditation shall remain subject to the standards issued under section 1121 of the Education Amendments of 1978 and in effect on the date of enactment of the Native American Education Improvement Act of 2001 until such time as the school is accredited, except that if any of such standards are in conflict with the standards of the accrediting agency, the standards of such agency shall apply in such case.

''(5) ANNUAL REPORT ON UNACCREDITED SCHOOLS.—Not later than 90 days after the end of each school year, the Secretary shall prepare and submit to the Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committees on Appropriations and the Committee on Indian Affairs of the Senate, a report concerning unaccredited Bureau funded schools that—

''(A) identifies those Bureau funded schools that fail to be accredited or to be candidates for accreditation within the period provided for in paragraph (1);

''(B) with respect to each Bureau funded school identified under subparagraph (A), identifies the reasons that each such school is not accredited or a candidate for accreditation, as determined by the appropriate accreditation agency, and a description of any possible way in which to remedy such nonaccreditation; and

''(C) with respect to each Bureau funded school for which the reported reasons for the lack of accreditation under subparagraph (B) are a result of the school's inadequate basic resources, contains information and funding requests for the full funding needed to provide such schools with accreditation, such funds if provided shall be applied to such unaccredited school under this paragraph.

''(6) OPPORTUNITY TO REVIEW AND PRESENT EVIDENCE.—

''(A) IN GENERAL.—Prior to including a Bureau funded school in an annual report required under paragraph (5), the Secretary shall—

''(i) ensure that the school has exhausted all administrative remedies provided by the accreditation agency; and

''(ii) provide the school with an opportunity to review the data on which such inclusion is based.

''(B) PROVISION OF ADDITIONAL INFORMATION.—If the school board of a school that the Secretary has proposed for inclusion in an annual report under paragraph (5) believes that such inclusion is in error, the school board may provide to the Secretary such information as the board believes is in conflict with the information and conclusions of the Secretary with respect to the determination to include the school in such annual report. The Secretary shall consider such information provided by the school board before making a final determination concerning the inclusion of the school in any such report.

''(C) PUBLICATION OF ACCREDITATION STATUS.—Not later than 30 days after making an initial determination to include a school in an annual report under paragraph (5), the Secretary shall make public the final determination on the accreditation status of the school.

''(7) SCHOOL PLAN.—

''(A) IN GENERAL.—Not later than 120 days after the date on which a school is included in an annual report under paragraph (5), the school shall develop a school plan, in consultation with interested parties including parents, school staff, the school board, and other outside experts (if appropriate), that shall be submitted to the Secretary for approval. The school plan shall cover a 3-year period and shall—

''(i) incorporate strategies that address the specific issues that caused the school to fail to be accredited or fail to be a candidate for accreditation;

''(ii) incorporate policies and practices concerning the school that have the greatest likelihood of ensuring that the school will obtain accreditation during the 3 year-period beginning on the date on which the plan is implemented;

''(iii) contain an assurance that the school will reserve the necessary funds, from the funds described in paragraph (3), for each fiscal year for the purpose of obtaining accreditation;

''(iv) specify how the funds described in clause (iii) will be used to obtain accreditation;

''(v) establish specific annual, objective goals for measuring continuous and significant progress made by the school in a manner that will ensure the accreditation of the school within the 3-year period described in clause (ii);

''(vi) identify how the school will provide written notification about the lack of accreditation to the parents of each student enrolled in such school, in a format and, to the extent practicable, in a language the parents can understand; and

''(vii) specify the responsibilities of the school board and any assistance to be provided by the Secretary under paragraph (3).

''(B) IMPLEMENTATION.—A school shall implement the school plan under subparagraph (A) expeditiously, but in no event later than the beginning of the school year following the school year in which the school was included in the annual report under paragraph (5) so long as the necessary resources have been provided to the school.

''(C) REVIEW OF PLAN.—Not later than 45 days after receiving a school plan, the Secretary shall—

''(i) establish a peer-review process to assist with the review of the plan; and

''(ii) promptly review the school plan, work with the school as necessary, and approve the school plan if the plan meets the requirements of this paragraph.

''(8) CORRECTIVE ACTION.—

''(A) DEFINITION.—In this subsection, the term 'corrective action' means action that—

''(i) substantially and directly responds to—

''(I) the failure of a school to achieve accreditation; and

''(II) any underlying staffing, curriculum, or other programmatic problem in the school that contributed to the lack of accreditation; and

''(ii) is designed to increase substantially the likelihood that the school will be accredited.

''(B) CORRECTIVE ACTION INAPPLICABLE.—The Secretary shall grant a waiver to any school that fails to be accredited for reasons that are beyond the control of the school board, as determined by the Secretary, including a significant decline in financial resources, the poor condition of facilities, vehicles or other property, or a natural disaster. Such a waiver shall exempt such school from any or all of the requirements of this paragraph and paragraph (7), but such school shall be required to comply with the standards contained in part 36 of title 25, Code of Federal Register, as in effect on the date of enactment of the Native American Education Improvement Act of 2001.

''(C) DUTIES OF SECRETARY.—After providing assistance to a school under paragraph (3), the Secretary shall—

''(i) annually review the progress of the school under the applicable school plan, to determine whether the school is meeting, or making adequate progress towards, achieving the goals described in paragraph (7)(A)(v) with respect to reaccreditation or becoming a candidate for accreditation;

''(ii) except as provided in subparagraph (B), continue to provide assistance while implementing the school's plan, and, if determined appropriate by the Secretary, take corrective action with respect to the school if it fails to be accredited at the end of the third year of the school's plan;

''(iii) promptly notify the parents of children enrolled in the school of the option to transfer their child to another school;

''(iv) provide all students enrolled in the school with the option to transfer to another school, including a public or charter school, that is accredited; and

''(v) provide, or pay for the provision of, transportation for each student described in clause (iv) to the school to which the student elects to be transferred.

''(D) FAILURE OF SCHOOL PLAN.—With respect to a Bureau operated school that fails to be accredited at the end of the 3-year period during which the school's plan is in effect under paragraph (7), the Secretary may take 1 or more of the following corrective actions:

''(i) Institute and fully implement actions suggested by the accrediting agency.

''(ii) Consult with the tribe involved to determine the causes for the lack of accreditation including potential staffing and administrative changes that are or may be necessary.

''(iii) Set aside a certain amount of funds that may only be used by the school to obtain accreditation.

''(iv)(I) Provide the tribe with a 60-day period in which to determine whether the tribe desires to operate the school as a contract or grant school, before meeting the accreditation requirements in section 5207 of the Tribally Controlled Schools Act, at the beginning of the next school year following the determination to take corrective action. If the tribe agrees to operate the school as a contract or grant school, the tribe shall prepare a plan, pursuant to paragraph (7), for approval by the Secretary in accordance with paragraph (7), to achieve accreditation.

''(II) If the tribe declines to assume control of the school, the Secretary, in consultation with the tribe, may contract with an outside entity, consistent with applicable law, or appoint a receiver or trustee to operate and administer the affairs of the school until the school is accredited. The outside entity, receiver or trustee shall prepare a plan, pursuant to paragraph (7), for approval by the Secretary in accordance with paragraph (7).

''(III) Upon accreditation of the school, the Secretary shall allow the tribe to continue to operate the school as a grant or contract school, or if being controlled by an outside entity, provide the tribe with the option to assume operation of the school as a contract school, in accordance with the Indian Self Determination Act, or as a grant school in accordance with the Tribally Controlled Schools Act, at the beginning of the school year following the school year in which the school obtains accreditation. If the tribe declines, the Secretary may allow the outside entity, receiver or trustee to continue the operation of the school or reassume control of the school.

''(v)(I) With respect to—

''(aa) a school that is a grant school, comply with section 5207 of the Tribally Controlled Schools Act;

''(bb) a school that is a contract school, comply with the Indian Self Determination Act;

''(cc) a school described in item (aa) or (bb), take any corrective actions described in clauses (i) through (iii); or

''(dd) a school described in item (aa) or (bb), the Secretary, after complying with the notice and hearing requirements of the reassumption provisions of the Indian Self Determination Act, may assume the operation and administration of the school at the beginning of the school year following the revocation of the school's determination of eligibility and shall adopt a plan in accordance with paragraph (7).

''(II) With respect to a school described in subclause (I), if, at the end of the 3-year period during which the school's plan is in effect under paragraph (7), the school is still not accredited, the Secretary in consultation with the tribe may contract with an outside entity or appoint a receiver or trustee, which shall adopt a plan in accordance with paragraph (7), to operate and administer the affairs of the school until the school is accredited.

''(III) Upon accreditation of the school, the tribe shall have the option to assume the operation and administration of the school as a contract school after complying with the Indian Self Determination Act, or as a grant school, after complying with the Tribally Controlled Schools Act, at the beginning of the school year following the year in which the school obtains accreditation.

''(IV) The provisions of this clause shall be construed consistent with the provisions of the Tribally Controlled Schools Act and the Indian Self Determination Act as in effect on the date of enactment of the Native American Education Improvement Act of 2001, and shall not be construed as expanding the authority of the Secretary under any other law.

''(E) HEARING.—With respect to a school that is operated pursuant to a grant, or a school that is operated under a contract under the Indian Self Determination Act, prior to implementing any corrective action under this paragraph, the Secretary shall provide notice and an opportunity for a hearing to the affected school pursuant to section 5207 of the Tribally Controlled Schools Act.

''(9) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to alter or otherwise affect the rights, remedies, and procedures afforded to school employees under applicable law (including applicable regulations or court orders) or under the terms of any collective bargaining agreement, memorandum of understanding, or other agreement between such employees and their employers.

''(c) ANNUAL PLAN.—

''(1) IN GENERAL.—Except as provided in subsection (b), the Secretary shall implement the Bureau standards in effect on the date of enactment of the Native American Education Improvement Act of 2001.

''(2) PLAN.—On an annual basis, the Secretary shall submit to the appropriate committees of Congress, all Bureau funded schools, and the tribal governing bodies of such schools a detailed plan to ensure that all Bureau funded schools are accredited, or if such school are in the process of obtaining accreditation that such school meet the Bureau standards in effect on the date of enactment of the Native American Education Improvement Act of 2001 to the extent that such standards do not conflict with the standards of the accrediting agency. Such plan shall include detailed information on the status of each school's educational program in relation to the applicable standards, specific cost estimates for meeting such standards at each school, and specific timelines for bringing each school up to the level required by such standards.

''(d) CLOSURE OR CONSOLIDATION OF SCHOOLS.—

''(1) IN GENERAL.—Except as specifically required by law, no Bureau funded school or dormitory operated on or after January 1, 1992, may be closed, consolidated, or transferred to another authority and no program of such a school may be substantially curtailed except in accordance with the requirements of this subsection.

''(2) EXCEPTIONS.—This subsection (other than this paragraph) shall not apply—

''(A) in those cases in which the tribal governing body for a school, or the local school board concerned (if designated by the tribal governing body to act under this paragraph), requests the closure, consolidation, or substantial curtailment; or

''(B) if a temporary closure, consolidation, or substantial curtailment is required by facility conditions that constitute an immediate hazard to health and safety.

''(3) REGULATIONS.—The Secretary shall, by regulation, promulgate standards and procedures for the closure, transfer to another authority, consolidation, or substantial curtailment of school programs of Bureau schools, in accordance with the requirements of this subsection.

''(4) NOTIFICATION.—

''(A) CONSIDERATION.—Whenever closure, transfer to another authority, consolidation, or substantial curtailment of a school program of a Bureau school is under active consideration or review by any division of the Bureau or the Department of the Interior, the head of the division or the Secretary shall ensure that the affected tribe, tribal governing body, and local school board, are notified (in writing) immediately, kept fully and currently informed, and afforded an opportunity to comment with respect to such consideration or review.

''(B) FORMAL DECISION.—When the head of any division of the Bureau or the Secretary makes a formal decision to close, transfer to another authority, consolidate, or substantially curtail a school program of a Bureau school, the head of the division or the Secretary shall notify (in writing) the affected tribes, tribal governing body, and local school board at least 6 months prior to the end of the academic year preceding the date of the proposed action.

''(C) COPIES OF NOTIFICATIONS AND INFORMATION.—The Secretary shall transmit copies of the notifications described in this paragraph promptly to the appropriate committees of Congress and publish such notifications copies in the Federal Register.

''(5) REPORT.—

''(A) IN GENERAL.—The Secretary shall submit a report to the appropriate committees of Congress, the affected tribal governing body and the designated local school board, describing the process of the active consideration or review referred to in paragraph (4).

''(B) CONTENTS.—The report shall include the results of a study of the impact of the action under consideration or review on the student population of the school involved, identify those students at the school with particular educational and social needs, and ensure that alternative services are available to such students. Such report shall include a description of consultation conducted between the potential service provider and current service provider of such services, parents, tribal representatives, the tribe involved, and the Director regarding such students.

''(6) LIMITATION ON CERTAIN ACTIONS.—No irreversible action may be taken to further any proposed school closure, transfer to another authority, consolidation, or substantial curtailment described in this subsection concerning a school (including any action that would prejudice the personnel or programs of such school) prior to the end of the first full academic year after the report described in paragraph (5) is submitted.

''(7) TRIBAL GOVERNING BODY APPROVAL REQUIRED FOR CERTAIN ACTIONS.—The Secretary may terminate, contract, transfer to any other authority, consolidate, or substantially curtail the operation or facilities of—

''(A) any Bureau funded school that is operated on or after January 1, 1999;

''(B) any program of such a school that is operated on or after January 1, 1999; or

''(C) any school board of a school operated under a grant under the Tribally Controlled Schools Act of 1988,

only if the tribal governing body for the school involved approves such action.

''(e) APPLICATION FOR CONTRACTS OR GRANTS FOR NON-BUREAU FUNDED SCHOOLS OR EXPANSION OF BUREAU FUNDED SCHOOLS.—

''(1) IN GENERAL.—

''(A) APPLICATIONS.—

''(i) TRIBES; SCHOOL BOARDS.—The Secretary shall only consider the factors described in subparagraph (B) in reviewing—

''(I) applications from any tribe for the awarding of a contract or grant for a school that is not a Bureau funded school; and

''(II) applications from any tribe or school board associated with any Bureau funded school for the awarding of a contract or grant for the expansion of a Bureau funded school that would increase the amount of funds received by the tribe or school board under section 1126.

''(ii) LIMITATION.—With respect to applications described in this subparagraph, the Secretary shall give consideration to all the factors described in subparagraph (B), but no such application shall be denied based primarily upon the geographic proximity of comparable public education.

''(B) FACTORS.—With respect to applications described in subparagraph (A) the Secretary shall consider the following factors relating to the program and services that are the subject of the application:

''(i) The adequacy of existing facilities to support the proposed program and services or the applicant's ability to obtain or provide adequate facilities.

''(ii) Geographic and demographic factors in the affected areas.

''(iii) The adequacy of the applicant's program plans or, in the case of a Bureau funded school, of a projected needs analysis conducted either by the tribe or the Bureau.

''(iv) Geographic proximity of comparable public education.

''(v) The stated needs of all affected parties, including students, families, tribal governing bodies at both the central and local levels, and school organizations.

''(vi) Adequacy and comparability of programs and services already available.

''(vii) Consistency of the proposed program and services with tribal educational codes or tribal legislation on education.

''(viii) The history and success of these services for the proposed population to be

served, as determined from all factors, including standardized examination performance.

''(2) DETERMINATION ON APPLICATION.—

''(A) PERIOD.—The Secretary shall make a determination concerning whether to approve any application described in paragraph (1)(A) not later than 180 days after the date such application is submitted to the Secretary.

''(B) FAILURE TO MAKE DETERMINATION.—If the Secretary fails to make the determination with respect to an application by the date described in subparagraph (A), the application shall be treated as having been approved by the Secretary.

''(3) REQUIREMENTS FOR APPLICATIONS.—

''(A) APPROVAL.—Notwithstanding paragraph (2)(B), an application described in paragraph (1)(A) may be approved by the Secretary only if—

''(i) the application has been approved by the tribal governing body of the students served by (or to be served by) the school or program that is the subject of the application; and

''(ii) the tribe or designated school board involved submits written evidence of such approval with the application.

''(B) INFORMATION.—Each application described in paragraph (1)(A) shall contain information discussing each of the factors described in paragraph (1)(B).

''(4) DENIAL OF APPLICATIONS.—If the Secretary denies an application described in paragraph (1)(A), the Secretary shall—

''(A) state the objections to the application in writing to the applicant not later than 180 days after the date the application is submitted to the Secretary;

''(B) provide assistance to the applicant to overcome the stated objections;

''(C) provide to the applicant a hearing on the record regarding the denial, under the same rules and regulations as apply under the Indian Self-Determination and Education Assistance Act; and

''(D) provide to the applicant a notice of the applicant's appeals rights and an opportunity to appeal the decision resulting from the hearing under subparagraph (D).

''(5) EFFECTIVE DATE OF A SUBJECT APPLICATION.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the action that is the subject of any application described in paragraph (1)(A) that is approved by the Secretary shall become effective—

''(i) on the first day of the academic year following the fiscal year in which the application is approved; or

''(ii) on an earlier date determined by the Secretary.

''(B) APPLICATION TREATED AS APPROVED.—If an application is treated as having been approved by the Secretary under paragraph (2)(B), the action that is the subject of the application shall become effective—

''(i) on the date that is 18 months after the date on which the application is submitted to the Secretary; or

''(ii) on an earlier date determined by the Secretary.

''(6) STATUTORY CONSTRUCTION.—Nothing in this section, or any other provision of law, shall be construed to preclude the expansion of grades and related facilities at a Bureau funded school, if such expansion is paid for with non-Bureau funds.

''(f) JOINT ADMINISTRATION.—Administrative, transportation, and program cost funds received by Bureau funded schools, and any program from the Department of Education or any other Federal agency for the purpose of providing education or related services, and other funds received for such education and related services from non-Federally funded programs, shall be apportioned and the funds shall be retained at the school.

''(g) GENERAL USE OF FUNDS.—Funds received by Bureau funded schools from the Bureau of Indian Affairs and under any program from the Department of Education or any other Federal agency for the purpose of providing education or related services may be used for schoolwide projects to improve the educational program of the schools for all Indian students.

''(h) STUDY ON ADEQUACY OF FUNDS AND FORMULAS.—

''(1) STUDY.—The Comptroller General of the United States shall conduct a study to include an analysis of the information contained in the General Accounting Office study evaluating and comparing school systems of the Department of Defense and the Bureau of Indian Affairs, in consultation with tribes and local school boards, to determine the adequacy of funding, and formulas used by the Bureau to determine funding, for programs operated by Bureau funded schools, taking into account unique circumstances applicable to Bureau funded schools.

''(2) FINDINGS.—On completion of the study under paragraph (1), the Secretary shall take such action as may be necessary to ensure distribution of the findings of the study to the appropriate authorizing and appropriating committees of Congress, all affected tribes, local school boards, and associations of local school boards.

"SEC. 1122. NATIONAL STANDARDS FOR HOME LIVING SITUATIONS.

''(a) IN GENERAL.—The Secretary, in accordance with section 1136, shall revise the national standards for home-living (dormitory) situations to include such factors as heating, lighting, cooling, adult-child ratios, need for counselors (including special needs related to off-reservation home-living (dormitory) situations), therapeutic programs, space, and privacy. Such standards shall be implemented in Bureau schools. Any subsequent revisions shall also be in accordance with such section 1136.

''(b) IMPLEMENTATION.—The Secretary shall implement the revised standards established under this section immediately upon their issuance.

''(c) PLAN.—

''(1) IN GENERAL.—Upon the submission of each annual budget request for Bureau educational services (as contained in the President's annual budget request under section 1105 of title 31, United States Code), the Secretary shall submit to the appropriate committees of Congress, the tribes, and the affected schools, and publish in the Federal Register, a detailed plan to bring all Bureau funded schools that have dormitories or provide home-living (dormitory) situations into compliance with the standards established under this section.

''(2) CONTENTS.—Each plan under paragraph (1) shall include—

''(A) a statement of the relative needs of each of the home-living schools and projected future needs of each of the home-living schools;

''(B) detailed information on the status of each of the schools in relation to the standards established under this section;

''(C) specific cost estimates for meeting each standard for each such school;

''(D) aggregate cost estimates for bringing all such schools into compliance with the standards established under this section; and

''(E) specific timelines for bringing each school into compliance with such standards.

''(d) WAIVER.—

''(1) IN GENERAL.—A tribal governing body or local school board may, in accordance with this subsection, waive the standards established under this section for a school described in subsection (a).

''(2) INAPPROPRIATE STANDARDS.—

''(A) IN GENERAL.—A tribal governing body, or the local school board so designated by the tribal governing body, may waive, in whole or in part, the standards established under this section if such standards are determined by such body or board to be inappropriate for the needs of students from that tribe.

''(B) ALTERNATIVE STANDARDS.—The tribal governing body or school board involved shall, not later than 60 days after providing a waiver under subparagraph (A) for a school, submit to the Director a proposal for alternative standards that take into account the specific needs of the tribe's children. Such alternative standards shall be established by the Director for the school involved unless specifically rejected by the Director for good cause and in writing provided to the affected tribes or local school board.

''(e) CLOSURE FOR FAILURE TO MEET STANDARDS PROHIBITED.—No school in operation on or before July 1, 1999 (regardless of compliance or noncompliance with the standards established under this section), may be closed, transferred to another authority, or consolidated, and no program of such a school may be substantially curtailed, because the school failed to meet such standards.

"SEC. 1123. SCHOOL BOUNDARIES.

''(a) ESTABLISHMENT BY SECRETARY.—Except as described in subsection (b), the Secretary shall establish, by regulation, separate geographical attendance areas for each Bureau funded school.

''(b) ESTABLISHMENT BY TRIBAL BODY.—In any case in which there is more than 1 Bureau funded school located on a reservation of a tribe, at the direction of the tribal governing body, the relevant school boards of the Bureau funded schools on the reservation may, by mutual consent, establish the boundaries of the relevant geographical attendance areas for such schools, subject to the approval of the tribal governing body. Any such boundaries so established shall be accepted by the Secretary.

''(c) BOUNDARY REVISIONS.—

''(1) IN GENERAL.—Effective on July 1, 1999, the Secretary may not establish or revise boundaries of a geographical attendance area with respect to any Bureau funded school unless the tribal governing body concerned and the school board concerned has been afforded—

''(A) at least 6 months notice of the intention of the Secretary to establish or revise such boundaries; and

''(B) the opportunity to propose alternative boundaries.

''(2) PETITIONS.—Any tribe may submit a petition to the Secretary requesting a revision of the geographical attendance area boundaries referred to in paragraph (1).

''(3) BOUNDARIES.—The Secretary shall accept proposed alternative boundaries described in paragraph (1)(B) or revised boundaries described in a petition submitted under paragraph (2) unless the Secretary finds, after consultation with the affected tribe, that such alternative or revised boundaries do not reflect the needs of the Indian students to be served or do not provide adequate stability to all of the affected programs. On accepting the boundaries, the Secretary shall publish information describing the boundaries in the Federal Register.

''(4) TRIBAL RESOLUTION DETERMINATION.—Nothing in this section shall be interpreted as denying a tribal governing body the authority, on a continuing basis, to adopt a tribal resolution allowing parents a choice of the Bureau funded school their child may attend, regardless of the geographical attendance area boundaries established under this section.

''(d) FUNDING RESTRICTIONS.—The Secretary shall not deny funding to a Bureau funded school for any eligible Indian student attending the school solely because that student's home or domicile is outside of the boundaries of the geographical attendance area established for that school under this section. No funding shall be made available for transportation without tribal authorization to enable the school to provide transportation for any student to or from the school and a location outside the approved attendance area of the school.

''(e) RESERVATION AS BOUNDARY.—In any case in which there is only 1 Bureau funded school located on a reservation, the boundaries of the geographical attendance area for the school shall be the boundaries (as established by treaty, agreement, legislation, court decision, or executive decision and as accepted by the tribe involved) of the reservation served, and those students residing near the reservation shall also receive services from such school.

''(f) OFF-RESERVATION HOME-LIVING SCHOOLS.—Notwithstanding the boundaries of the geographical attendance areas established under this section, each Bureau funded school that is an off-reservation home-living school shall implement special emphasis programs and permit the attendance of students requiring the programs. The programs provided for such students shall be coordinated among education line officers, the families of the students, the schools, and the entities operating programs that referred the students to the schools.

''SEC. 1124. FACILITIES CONSTRUCTION.

''(a) NATIONAL SURVEY OF FACILITIES CONDITIONS.—

''(1) IN GENERAL.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, the General Accounting Office shall compile, collect, and secure the data that is needed to prepare a national survey of the physical conditions of all Bureau funded school facilities.

''(2) DATA AND METHODOLOGIES.—In preparing the national survey required under paragraph (1), the General Accounting Office shall use the following data and methodologies:

''(A) The existing Department of Defense formula for determining the condition and adequacy of Department of Defense facilities.

''(B) Data related to conditions of Bureau funded schools that has previously been compiled, collected, or secured from whatever source derived so long as the data is relevant, timely, and necessary to the survey.

''(C) The methodologies of the American Institute of Architects, or other accredited and reputable architecture or engineering associations.

''(3) CONSULTATIONS.—

''(A) IN GENERAL.—In carrying out the survey required under paragraph (1), the General Accounting Office shall, to the maximum extent practicable, consult (and if necessary contract) with national, regional, and tribal Indian education organizations to ensure that a complete and accurate national survey is achieved.

''(B) REQUESTS FOR INFORMATION.—All Bureau funded schools shall comply with reasonable requests for information by the General Accounting Office and shall respond to such requests in a timely fashion.

''(4) SUBMISSION TO CONGRESS.—Not later than 24 months after the date of enactment of the Native American Education Improvement Act of 2001, the General Accounting Office shall submit the results of the national survey conducted under paragraph (1) to the Committee on Indian Affairs and Committee on Appropriations of the Senate, and the Committee on Resources, Committee on Education and the Workforce, and Committee on Appropriations of the House and to the Secretary, who, in turn shall submit the results of the national survey to school boards of Bureau-funded schools and their respective Tribes.

''(5) NEGOTIATED RULEMAKING COMMITTEE.—

''(A) IN GENERAL.—Not later than 6 months after the date on which the submission is made under paragraph (4), the Secretary shall establish a negotiated rule making committee pursuant to section 1136(c). The negotiated rulemaking committee shall prepare and submit to the Secretary the following:

''(i) A catalogue of the condition of school facilities at all Bureau funded schools that—

''(I) incorporates the findings from the General Accounting Office study evaluating and comparing school systems of the Department of Defense and the Bureau of Indian Affairs;

''(II) rates such facilities with respect to the rate of deterioration and useful life of structures and major systems;

''(III) establishes a routine maintenance schedule for each facility;

''(IV) identifies the complementary educational facilities that do not exist but that are needed; and

''(V) makes projections on the amount of funds needed to keep each school viable, consistent with the accreditation standards required pursuant to this Act.

''(ii) A school replacement and new construction report that determines replacement and new construction need, and a formula for the equitable distribution of funds to address such need, for Bureau funded schools. Such formula shall utilize necessary factors in determining an equitable distribution of funds, including—

''(I) the size of school;

''(II) school enrollment;

''(III) the age of the school;

''(IV) the condition of the school;

''(V) environmental factors at the school; and

''(VI) school isolation.

''(iii) A renovation repairs report that determines renovation need (major and minor), and a formula for the equitable distribution of funds to address such need, for Bureau funded schools. Such report shall identify needed repairs or renovations with respect to a facility, or a part of a facility, or the grounds of the facility, to remedy a need based on disabilities access or health and safety changes to a facility. The formula developed shall utilize necessary factors in determining an equitable distribution of funds, including the factors described in subparagraph (B).

''(B) SUBMISSION OF REPORTS.—Not later than 24 months after the negotiated rulemaking committee is established under subparagraph (A), the reports described in clauses (ii) and (iii) of subparagraph (A) shall be submitted to the committees of Congress referred to in paragraph (4), the national and regional Indian education organizations, and to all school boards of Bureau-funded schools and their respective Tribes.

''(6) FACILITIES INFORMATION SYSTEMS SUPPORT DATABASE.—The Secretary shall develop a Facilities Information Systems Support Database to maintain and update the information contained in the reports under clauses (ii) and (iii) of paragraph (5)(A) and the information contained in the survey conducted under paragraph (1). The system shall be updated every 3 years by the Bureau of Indian Affairs and monitored by General Accounting Office, and shall be made available to school boards of Bureau-funded schools and their respective Tribes, and Congress.

''(b) COMPLIANCE WITH HEALTH AND SAFETY STANDARDS.—The Secretary shall immediately begin to bring all schools, dormitories, and other Indian education-related facilities operated by the Bureau or under contract or grant with the Bureau into compliance with all applicable tribal, Federal, or State health and safety standards, whichever provides greater protection (except that the tribal standards to be applied shall be no greater than any otherwise applicable Federal or State standards), with section 504 of the Rehabilitation Act of 1973, and with the Americans with Disabilities Act of 1990. Nothing in this section shall require termination of the operations of any facility which does not comply with such provisions and which is in use on the date of the enactment of the Native American Education Improvement Act of 2001.

''(c) COMPLIANCE PLAN.—At the time that the annual budget request for Bureau educational services is presented, the Secretary shall submit to the appropriate committees of Congress a detailed plan to bring all facilities covered under subsection (b) of this section into compliance with the standards referred to in subsection (b). Such plan shall include detailed information on the status of each facility's compliance with such standards, specific cost estimates for meeting such standards at each school, and specific timelines for bringing each school into compliance with such standards.

''(d) CONSTRUCTION PRIORITIES.—

''(1) SYSTEM TO ESTABLISH PRIORITIES.—The Secretary shall annually prepare and submit to the appropriate committees of Congress, and publish in the Federal Register, information describing the system used by the Secretary to establish priorities for replacement and construction projects for Bureau funded schools and home-living schools, including boarding schools, and dormitories. On making each budget request described in subsection (c), the Secretary shall publish in the Federal Register and submit with the budget request a list of all of the Bureau funded school construction priorities, as described in paragraph (2).

''(2) LONG-TERM CONSTRUCTION AND REPLACEMENT LIST.—In addition to submitting the plan described in subsection (c), the Secretary shall—

''(A) not later than 18 months after the date of enactment of the Native American Education Improvement Act of 2001, establish a long-term construction and replacement priority list for all Bureau funded schools;

''(B) using the list prepared under subparagraph (A), propose a list for the orderly replacement of all Bureau funded education-related facilities over a period of 40 years to facilitate planning and scheduling of budget requests;

''(C) publish the list prepared under subparagraph (B) in the Federal Register and

allow a period of not less than 120 days for public comment;

''(D) make such revisions to the list prepared under subparagraph (B) as are appropriate based on the comments received; and

''(E) publish a final list in the Federal Register.

''(3) EFFECT ON OTHER LIST.—Nothing in this section shall be construed as interfering with or changing in any way the construction and replacement priority list established by the Secretary, as the list exists on the date of enactment of the Native American Education Improvement Act of 2001.

''(e) HAZARDOUS CONDITION AT BUREAU FUNDED SCHOOL.—

''(1) CLOSURE, CONSOLIDATION, OR CURTAILMENT.—

''(A) IN GENERAL.—A Bureau funded school may be closed or consolidated, and the programs of a Bureau funded school may be substantially curtailed by reason of facility conditions that constitute an immediate hazard to health and safety only if a health and safety officer of the Bureau and an individual designated by the tribe involved under subparagraph (B), determine that such conditions exist at a facility of the Bureau funded school.

''(B) DESIGNATION OF INDIVIDUAL BY TRIBE.—To be designated by a tribe for purposes of subparagraph (A), an individual shall—

''(i) be a licensed or certified facilities safety inspector;

''(ii) have demonstrated experience in the inspection of facilities for health and safety purposes with respect to occupancy; or

''(iii) have a significant educational background in the health and safety of facilities with respect to occupancy.

''(C) INSPECTION.—In making a determination described in subparagraph (A), the Bureau health and safety officer and the individual designated by the tribe shall conduct an inspection of the conditions of such facility in order to determine whether conditions at such facility constitute an immediate hazard to health and safety.

''(D) FAILURE TO CONCUR.—If the Bureau health and safety officer, and the individual designated by the tribe, conducting the inspection of a facility required under subparagraph (A) do not concur that conditions at the facility constitute an immediate hazard to health and safety, such officer and individual shall immediately notify the tribal governing body and provide written information related to their determinations.

''(E) CONSIDERATION BY TRIBAL GOVERNING BODY.—Not later than 10 days after a tribal governing body received notice under subparagraph (D), the tribal governing body shall consider all information related to the determinations of the Bureau health and safety officer and the individual designated by the tribe and make a determination regarding the closure, consolidation, or curtailment involved.

''(F) AGREEMENT TO CLOSE, CONSOLIDATE, OR CURTAIL.—If the Bureau health and safety officer, and the individual designated by the tribe, conducting the inspection of a facility required under subparagraph (A), concur that conditions at the facility constitute an immediate hazard to health and safety, or if the tribal governing body makes such a determination under subparagraph (E) the facility involved shall be closed immediately.

''(G) GENERAL CLOSURE REPORT.—If a Bureau funded school is temporarily closed or consolidated or the programs of a Bureau funded school are temporarily substantially curtailed under this subsection and the Secretary determines that the closure, consolidation, or curtailment will exceed 1 year, the Secretary shall submit to the appropriate committees of Congress, the affected tribe, and the local school board, not later than 3 months after the date on which the closure, consolidation, or curtailment was initiated, a report that specifies—

''(i) the reasons for such temporary action;

''(ii) the actions the Secretary is taking to eliminate the conditions that constitute the hazard;

''(iii) an estimated date by which the actions described in clause (ii) will be concluded; and

''(iv) a plan for providing alternate education services for students enrolled at the school that is to be closed.

''(2) NONAPPLICATION OF CERTAIN STANDARDS FOR TEMPORARY FACILITY USE.—

''(A) CLASSROOM ACTIVITIES.—The Secretary shall permit the local school board to temporarily utilize facilities adjacent to the school, or satellite facilities, if such facilities are suitable for conducting classroom activities. In permitting the use of facilities under the preceding sentence, the Secretary may waive applicable minor standards under section 1121 relating to such facilities (such as the required number of exit lights or configuration of restrooms) so long as such waivers do not result in the creation of an environment that constitutes an immediate and substantial threat to the health, safety, and life of students and staff.

''(B) ADMINISTRATIVE ACTIVITIES.—The provisions of subparagraph (A) shall apply with respect to administrative personnel if the facilities involved are suitable for activities performed by such personnel.

''(C) TEMPORARY.—In this paragraph, the term 'temporary' means—

''(i) with respect to a school that is to be closed for not more than 1 year, 3 months or less; and

''(ii) with respect to a school that is to be closed for not less than 1 year, a time period determined appropriate by the Bureau.

''(3) TREATMENT OF CLOSURE.—Any closure of a Bureau funded school under this subsection for a period that exceeds 1 month but is less than 1 year, shall be treated by the Bureau as an emergency facility improvement and repair project.

''(4) USE OF FUNDS.—With respect to a Bureau funded school that is closed under this subsection, the tribal governing body, or the designated local school board of each Bureau funded school, involved may authorize the use of funds allocated pursuant to section 1126, to abate the hazardous conditions without further action by Congress.

''(f) FUNDING REQUIREMENT.—

''(1) DISTRIBUTION OF FUNDS.—Beginning with the first fiscal year following the date of enactment of the Native American Education Improvement Act of 2001, all funds appropriated to the budget accounts for the operations and maintenance of Bureau funded schools shall be distributed by formula to the schools. No funds from these accounts may be retained or segregated by the Bureau to pay for administrative or other costs of any facilities branch or office, at any level of the Bureau.

''(2) REQUIREMENTS FOR CERTAIN USES.—

''(A) AGREEMENT.—The Secretary shall not withhold funds that would be distributed under paragraph (1) to any grant or contract school, in order to use the funds for maintenance or any other facilities or road-related purposes, unless such school—

''(i) has consented to the withholding of such funds, including the amount of the funds, the purpose for which the funds will be used, and the timeline for the services to be provided with the funds; and

''(ii) has provided the consent by entering into an agreement that is—

''(I) a modification to the contract; and

''(II) in writing (in the case of a school that receives a grant).

''(B) CANCELLATION.—The school may, at the end of any fiscal year, cancel an agreement entered into under this paragraph, on giving the Bureau 30 days notice of the intent of the school to cancel the agreement.

''(g) NO REDUCTION IN FEDERAL FUNDING.—Nothing in this section shall be construed to reduce any Federal funding for a school because the school received funding for facilities improvement or construction from a State or any other source.

''SEC. 1125. BUREAU OF INDIAN AFFAIRS EDUCATION FUNCTIONS.

''(a) FORMULATION AND ESTABLISHMENT OF POLICY AND PROCEDURE; SUPERVISION OF PROGRAMS AND EXPENDITURES.—The Secretary shall vest in the Assistant Secretary for Indian Affairs all functions with respect to formulation and establishment of policy and procedure, and supervision of programs and expenditures of Federal funds for the purpose of Indian education administered by the Bureau. The Assistant Secretary shall carry out such functions through the Director of the Office of Indian Education Programs.

''(b) DIRECTION AND SUPERVISION OF PERSONNEL OPERATIONS.—

''(1) IN GENERAL.—Not later than 6 months after the date of the enactment of the Native American Education Improvement Act of 2001, the Director of the Office shall direct and supervise the operations of all personnel directly and substantially involved in the provision of education program services by the Bureau, including school or institution custodial or maintenance personnel, and personnel responsible for contracting, a procurement, and finance functions connected with school operation programs.

''(2) TRANSFERS.—The Assistant Secretary for Indian Affairs shall, not later than 6 months after the date of enactment of the Native American Education Improvement Act of 2001, coordinate the transfer of functions relating to procurements for, contracts of, operation of, and maintenance of schools and other support functions to the Director.

''(c) INHERENT FEDERAL FUNCTION.—For purposes of this Act, all functions relating to education that are located at the Area or Agency level and performed by an education line officer shall be subject to contract under the Indian Self-Determination and Education Assistance Act, unless determined by the Secretary to be inherently Federal functions as defined in section 1139(9).

''(d) EVALUATION OF PROGRAMS; SERVICES AND SUPPORT FUNCTIONS; TECHNICAL AND COORDINATION ASSISTANCE.—Education personnel who are under the direction and supervision of the Director of the Office in accordance with subsection (b)(1) shall—

''(1) monitor and evaluate Bureau education programs;

''(2) provide all services and support functions for education programs with respect to personnel matters involving staffing actions and functions; and

''(3) provide technical and coordination assistance in areas such as procurement, contracting, budgeting, personnel, curricula, and operation and maintenance of school facilities.

''(e) CONSTRUCTION, IMPROVEMENT, OPERATION, AND MAINTENANCE OF FACILITIES.—

''(1) PLAN FOR CONSTRUCTION.—The Assistant Secretary for Indian Affairs shall submit

as part of the annual budget request for educational services (as contained in the President's annual budget request under section 1105 of title 31, United States Code) a plan—

''(A) for the construction of school facilities in accordance with section 1124(d);

''(B) for the improvement and repair of education facilities and for establishing priorities among the improvement and repair projects involved, which together shall form the basis for the distribution of appropriated funds; and

''(C) for capital improvements to education facilities to be made over the 5 years succeeding the year covered by the plan.

''(2) PROGRAM FOR OPERATION AND MAINTENANCE.—

''(A) IN GENERAL.—

''(i) PROGRAM.—The Assistant Secretary shall establish a program, including a program for the distribution of funds appropriated under this part, for the operation and maintenance of education facilities. Such program shall include—

''(I) a method of computing the amount necessary for the operation and maintenance of each education facility;

''(II) a requirement of similar treatment of all Bureau funded schools;

''(III) a notice of an allocation of the appropriated funds from the Director of the Office directly to the appropriate education line officers and school officials;

''(IV) a method for determining the need for, and priority of, facilities improvement and repair projects, both major and minor; and

''(V) a system for conducting routine preventive maintenance.

''(ii) MEETINGS.—In making the determination referred to in clause (i)(IV), the Assistant Secretary shall cause a series of meetings to be conducted at the area and agency level with representatives of the Bureau funded schools in the corresponding areas and served by corresponding agencies, to receive comment on the projects described in clause (i)(IV) and prioritization of such projects.

''(B) MAINTENANCE.—The appropriate education line officers shall make arrangements for the maintenance of the education facilities with the local supervisors of the Bureau maintenance personnel. The local supervisors of Bureau maintenance personnel shall take appropriate action to implement the decisions made by the appropriate education line officers. No funds made available under this part may be authorized for expenditure for maintenance of such an education facility unless the appropriate education line officer is assured that the necessary maintenance has been, or will be, provided in a reasonable manner.

''(3) IMPLEMENTATION.—The requirements of this subsection shall be implemented as soon as practicable after the date of enactment of the Native American Education Improvement Act of 2001.

''(f) ACCEPTANCE OF GIFTS AND BEQUESTS.—

''(1) GUIDELINES.—Notwithstanding any other provision of law, the Director of the Office shall promulgate guidelines for the establishment and administration of mechanisms for the acceptance of gifts and bequests for the use and benefit of particular schools or designated Bureau operated education programs, including, in appropriate cases, the establishment and administration of trust funds.

''(2) MONITORING AND REPORTS.—Except as provided in paragraph (3), in a case in which a Bureau operated education program is the beneficiary of such a gift or bequest, the Director shall—

''(A) make provisions for monitoring use of the gift or bequest; and

''(B) submit a report to the appropriate committees of Congress that describes the amount and terms of such gift or bequest, the manner in which such gift or bequest shall be used, and any results achieved by such use.

''(3) EXCEPTION.—The requirements of paragraph (2) shall not apply in the case of a gift or bequest that is valued at $5,000 or less.

''(g) FUNCTIONS CLARIFIED.—In this section, the term 'functions' includes powers and duties.

"SEC. 1126. ALLOTMENT FORMULA.

''(a) FACTORS CONSIDERED; REVISION TO REFLECT STANDARDS.—

''(1) FORMULA.—The Secretary shall establish, by regulation adopted in accordance with section 1136, a formula for determining the minimum annual amount of funds necessary to operate each Bureau funded school. In establishing such formula, the Secretary shall consider—

''(A) the number of eligible Indian students served by the school and the total student population of the school;

''(B) special cost factors, such as—

''(i) the isolation of the school;

''(ii) the need for special staffing, transportation, or educational programs;

''(iii) food and housing costs;

''(iv) maintenance and repair costs associated with the physical condition of the educational facilities;

''(v) special transportation and other costs of an isolated or small school;

''(vi) the costs of home-living (dormitory) arrangements, where determined necessary by a tribal governing body or designated school board;

''(vii) costs associated with greater lengths of service by education personnel;

''(viii) the costs of therapeutic programs for students requiring such programs; and

''(ix) special costs for gifted and talented students;

''(C) the costs of providing academic services that are at least equivalent to the services provided by public schools in the State in which the school is located;

''(D) whether the available funding will enable the school involved to comply with the accreditation standards applicable to the school under section 1121; and

''(E) such other relevant factors as the Secretary determines are appropriate including the information contained in the General Accounting Office study evaluating and comparing school systems of the Department of Defense and the Bureau of Indian Affairs.

''(2) REVISION OF FORMULA.—On the establishment of the standards required in section 1122, the Secretary shall—

''(A) revise the formula established under paragraph (1) to reflect the cost of compliance with such standards; and

''(B)(i) after the formula has been established under paragraph (1), take such action as may be necessary to increase the availability of counseling and therapeutic programs for students in off-reservation home-living schools and other Bureau operated residential facilities; and

''(ii) concurrently with any actions taken under clause (i), review the standards established under section 1122 to ensure that such standards adequately provide for parental notification regarding, and consent for, such counseling and therapeutic programs.

''(b) PRO RATA ALLOTMENT.—Notwithstanding any other provision of law, Federal funds appropriated for the general local operation of Bureau funded schools shall be allotted on a pro rata basis in accordance with the formula established under subsection (a).

''(c) ANNUAL ADJUSTMENT; RESERVATION OF AMOUNT FOR SCHOOL BOARD ACTIVITIES.—

''(1) ANNUAL ADJUSTMENT.—

''(A) IN GENERAL.—For fiscal year 2002, and for each subsequent fiscal year, the Secretary shall adjust the formula established under subsection (a) to—

''(i) use a weighted factor of 1.2 for each eligible Indian student enrolled in the seventh and eighth grades of the school in considering the number of eligible Indian students served by the school;

''(ii) consider a school with an enrollment of fewer than 50 eligible Indian students as having an average daily attendance of 50 eligible Indian students for purposes of implementing the adjustment factor for small schools;

''(iii) take into account the provision of residential services on less than a 9-month basis at a school in a case in which the school board and supervisor of the school determine that the school will provide the services for fewer than 9 months for the academic year involved;

''(iv) use a weighted factor of 2.0 for each eligible Indian student that—

''(I) is gifted and talented; and

''(II) is enrolled in the school on a full-time basis,

in considering the number of eligible Indian students served by the school; and

''(v) use a weighted factor of 0.25 for each eligible Indian student who is enrolled in a year long credit course in an Indian or Native language as part of the regular curriculum of a school, in considering the number of eligible Indian students served by such school.

''(B) TIMING.—The Secretary shall make the adjustment required under subparagraph (A)(v) for such school after—

''(i) the school board of such school provides a certification of the Indian or Native language curriculum of the school to the Secretary, together with an estimate of the number of full-time students expected to be enrolled in the curriculum in the second academic year after the academic year for which the certification is made; and

''(ii) the funds appropriated for allotments under this section are designated, in the appropriations Act appropriating such funds, as the funds necessary to implement such adjustment at such school without reducing an allotment made under this section to any school by virtue of such adjustment.

''(2) RESERVATION OF AMOUNT.—

''(A) IN GENERAL.—From the funds allotted in accordance with the formula established under subsection (a) for each Bureau school, the local school board of such school may reserve an amount which does not exceed the greater of—

''(i) $8,000; or

''(ii) the lesser of—

''(I) $15,000; or

''(II) 1 percent of such allotted funds,

for school board activities for such school, including (notwithstanding any other provision of law) meeting expenses and the cost of membership in, and support of, organizations engaged in activities on behalf of Indian education.

''(B) TRAINING.—Each local school board, and any agency school board that serves as a local school board for any grant or contract school, shall ensure that each individual who is a new member of the school board receives, within 12 months after the individual becomes a member of the school board, 40

hours of training relevant to that individual's service on the board. Such training may include training concerning legal issues pertaining to Bureau funded schools, legal issues pertaining to school boards, ethics, and other topics determined to be appropriate by the school board. The training described in this subparagraph shall not be required but is recommended for a tribal governing body that serves in the capacity of a school board.

''(d) RESERVATION OF AMOUNT FOR EMERGENCIES.—

''(1) IN GENERAL.—The Secretary shall reserve from the funds available for allotment for each fiscal year under this section an amount that, in the aggregate, equals 1 percent of the funds available for allotment for that fiscal year.

''(2) USE OF FUNDS.—Amounts reserved under paragraph (1) shall be used, at the discretion of the Director of the Office, to meet emergencies and unforeseen contingencies affecting the education programs funded under this section. Funds reserved under this subsection may only be expended for education services or programs, including emergency repairs of education facilities, at a school site (as defined in section 5204(c)(2) of the Tribally Controlled Schools Act of 1988).

''(3) FUNDS REMAINING AVAILABLE.—Funds reserved under this subsection shall remain available without fiscal year limitation until expended. The aggregate amount of such funds, from all fiscal years, that is available for expenditure in a fiscal year may not exceed an amount equal to 1 percent of the funds available for allotment under this section for that fiscal year.

''(4) REPORTS.—If the Secretary makes funds available under this subsection, the Secretary shall submit a report describing such action to the appropriate committees of Congress as part of the President's next annual budget request under section 1105 of title 31, United States Code.

''(e) SUPPLEMENTAL APPROPRIATIONS.—Any funds provided in a supplemental appropriations Act to meet increased pay costs attributable to school level personnel of Bureau funded schools shall be allotted under this section.

''(f) ELIGIBLE INDIAN STUDENT DEFINED.—In this section, the term 'eligible Indian student' means a student who—

''(1) is a member of, or is at least ¼ degree Indian blood descendant of a member of, a tribe that is eligible for the special programs and services provided by the United States through the Bureau to Indians because of their status as Indians;

''(2) resides on or near a reservation or meets the criteria for attendance at a Bureau off-reservation home-living school; and

''(3) is enrolled in a Bureau funded school.

''(g) TUITION.—

''(1) IN GENERAL.—A Bureau school or contract or grant school may not charge an eligible Indian student tuition for attendance at the school. A Bureau school may not charge a student attending the school under the circumstances described in paragraph (2)(B) tuition for attendance at the school.

''(2) ATTENDANCE OF NON-INDIAN STUDENTS AT BUREAU SCHOOLS.—The Secretary may permit the attendance at a Bureau school of a student who is not an eligible Indian student if—

''(A)(i) the Secretary determines that the student's attendance will not adversely affect the school's program for eligible Indian students because of cost, overcrowding, or violation of standards or accreditation requirements; and

''(ii) the local school board consents; and

''(B)(i) the student is a dependent of a Bureau, Indian Health Service, or tribal government employee who lives on or near the school site; or

''(ii) tuition is paid for the student in an amount that is not more than the amount of tuition charged by the nearest public school district for out-of-district students, and is paid in addition to the school's allotment under this section.

''(3) ATTENDANCE OF NON-INDIAN STUDENTS AT CONTRACT AND GRANT SCHOOLS.—The school board of a contract or grant school may permit students who are not eligible Indian students to attend the contract or grant school. Any tuition collected for those students shall be in addition to the amount the school received under this section.

''(h) FUNDS AVAILABLE WITHOUT FISCAL YEAR LIMITATION.—Notwithstanding any other provision of law, at the election of the local school board of a Bureau school made at any time during a fiscal year, a portion equal to not more than 15 percent of the funds allotted for the school under this section for the fiscal year shall remain available to the school for expenditure without fiscal year limitation. The Assistant Secretary for Indian Affairs shall take such steps as may be necessary to implement this subsection.

''(i) STUDENTS AT RICHFIELD DORMITORY, RICHFIELD, UTAH.—Tuition for the instruction of each out-of-State Indian student in a home-living situation at the Richfield dormitory in Richfield, Utah, who attends Sevier County high schools in Richfield, Utah, for an academic year, shall be paid from Indian school equalization program funds authorized in this section and section 1129, at a rate not to exceed the weighted amount provided for under subsection (b) for a student for that year. No additional administrative cost funds shall be provided under this part to pay for administrative costs relating to the instruction of the students.

''SEC. 1127. ADMINISTRATIVE COST GRANTS.

''(a) DEFINITIONS.—In this section:

''(1) ADMINISTRATIVE COST.—

''(A) IN GENERAL.—The term 'administrative cost' means the cost of necessary administrative functions which—

''(i) the tribe or tribal organization incurs as a result of operating a tribal elementary or secondary educational program;

''(ii) are not customarily paid by comparable Bureau operated programs out of direct program funds; and

''(iii) are either—

''(I) normally provided for comparable Bureau programs by Federal officials using resources other than Bureau direct program funds; or

''(II) are otherwise required of tribal self-determination program operators by law or prudent management practice.

''(B) INCLUSIONS.—The term 'administrative cost' may include—

''(i) contract or grant (or other agreement) administration;

''(ii) executive, policy, and corporate leadership and decisionmaking;

''(iii) program planning, development, and management;

''(iv) fiscal, personnel, property, and procurement management;

''(v) related office services and record keeping; and

''(vi) costs of necessary insurance, auditing, legal, safety and security services.

''(2) BUREAU ELEMENTARY AND SECONDARY FUNCTIONS.—The term 'Bureau elementary and secondary functions' means—

''(A) all functions funded at Bureau schools by the Office;

''(B) all programs—

''(i) funds for which are appropriated to other agencies of the Federal Government; and

''(ii) which are administered for the benefit of Indians through Bureau schools; and

''(C) all operation, maintenance, and repair funds for facilities and government quarters used in the operation or support of elementary and secondary education functions for the benefit of Indians, from whatever source derived.

''(3) DIRECT COST BASE.—

''(A) IN GENERAL.—Except as otherwise provided in subparagraph (B), the direct cost base of a tribe or tribal organization for the fiscal year is the aggregate direct cost program funding for all tribal elementary or secondary educational programs operated by the tribe or tribal organization during—

''(i) the second fiscal year preceding such fiscal year; or

''(ii) if such programs have not been operated by the tribe or tribal organization during the two preceding fiscal years, the first fiscal year preceding such fiscal year.

''(B) FUNCTIONS NOT PREVIOUSLY OPERATED.—In the case of Bureau elementary or secondary education functions which have not previously been operated by a tribe or tribal organization under contract, grant, or agreement with the Bureau, the direct cost base for the initial year shall be the projected aggregate direct cost program funding for all Bureau elementary and secondary functions to be operated by the tribe or tribal organization during that fiscal year.

''(4) MAXIMUM BASE RATE.—The term 'maximum base rate' means 50 percent.

''(5) MINIMUM BASE RATE.—The term 'minimum base rate' means 11 percent.

''(6) STANDARD DIRECT COST BASE.—The term 'standard direct cost base' means $600,000.

''(7) TRIBAL ELEMENTARY OR SECONDARY EDUCATIONAL PROGRAMS.—The term 'tribal elementary or secondary educational programs' means all Bureau elementary and secondary functions, together with any other Bureau programs or portions of programs (excluding funds for social services that are appropriated to agencies other than the Bureau and are expended through the Bureau, funds for major subcontracts, construction, and other major capital expenditures, and unexpended funds carried over from prior years) which share common administrative cost functions, that are operated directly by a tribe or tribal organization under a contract, grant, or agreement with the Bureau.

''(b) GRANTS; EFFECT UPON APPROPRIATED AMOUNTS.—

''(1) GRANTS.—

''(A) IN GENERAL.—The Secretary shall provide a grant to each tribe or tribal organization operating a contract or grant school, in an amount determined under this section, for the purpose of paying the administrative and indirect costs incurred in operating the contract or grant school, in order to—

''(i) enable the tribe or tribal organization operating the school, without reducing direct program services to the beneficiaries of the program, to provide all related administrative overhead services and operations necessary to meet the requirements of law and prudent management practice; and

''(ii) carry out other necessary support functions that would otherwise be provided by the Secretary or other Federal officers or employees, from resources other than direct program funds, in support of comparable Bureau operated programs.

''(B) AMOUNT.—No school operated as a stand-alone institution shall receive less than $200,000 per year under this paragraph.

''(2) EFFECT UPON APPROPRIATED AMOUNTS.—Amounts appropriated to fund the grants provided for under this section shall be in addition to, and shall not reduce, the amounts appropriated for the program being administered by the contract or grant school.

''(c) DETERMINATION OF GRANT AMOUNT.—

''(1) IN GENERAL.—The amount of the grant provided to each tribe or tribal organization under this section for each fiscal year shall be determined by applying the administrative cost percentage rate determined under subsection (d) of the tribe or tribal organization to the aggregate cost of the Bureau elementary and secondary functions operated by the tribe or tribal organization for which funds are received from or through the Bureau. The administrative cost percentage rate does not apply to programs not relating to such functions that are operated by the tribe or tribal organization.

''(2) DIRECT COST BASE FUNDS.—The Secretary shall—

''(A) reduce the amount of the grant determined under paragraph (1) to the extent that payments for administrative costs are actually received by a tribe or tribal organization under any Federal education program that is included in the direct cost base of the tribe or tribal organization; and

''(B) take such actions as may be necessary to be reimbursed by any other department or agency of the Federal Government (other than the Department of the Interior) for the portion of grants made under this section for the costs of administering any program for Indians that is funded by appropriations made to such other department or agency.

''(3) REDUCTIONS.—If the total amount of funds necessary to provide grants to tribes and tribal organizations in the amounts determined under paragraph (1) and (2) for a fiscal year exceeds the amount of funds appropriated to carry out this section for such fiscal year, the Secretary shall reduce the amount of each grant determined under this subsection for such fiscal year by an amount that bears the same relationship to such excess as the amount of such grants determined under this subsection bears to the total of all grants determined under this subsection for all tribes and tribal organizations for such fiscal year.

''(d) ADMINISTRATIVE COST PERCENTAGE RATE.—

''(1) IN GENERAL.—For purposes of this section, the administrative cost percentage rate for a contract or grant school for a fiscal year is equal to the percentage determined by dividing—

''(A) the sum of—

''(i) the amount equal to—

''(I) the direct cost base of the tribe or tribal organization for the fiscal year; multiplied by

''(II) the minimum base rate; plus

''(ii) the amount equal to—

''(I) the standard direct cost base; multiplied by

''(II) the maximum base rate; by

''(B) the sum of—

''(i) the direct cost base of the tribe or tribal organization for the fiscal year; and

''(ii) the standard direct cost base.

''(2) ROUNDING.—The administrative cost percentage rate shall be determined to 1/100 of a percent.

''(e) COMBINING FUNDS.—

''(1) IN GENERAL.—Funds received by a tribe, tribal organization, or contract or grant school through grants made under this section for tribal elementary or secondary educational programs may be combined by the tribe, tribal organization, or contract or grant school and placed into a single administrative cost account without the necessity of maintaining separate funding source accounting.

''(2) INDIRECT COST FUNDS.—Indirect cost funds for programs at the school that share common administrative services with the tribal elementary or secondary educational programs may be included in the administrative cost account described in paragraph (1).

''(f) AVAILABILITY OF FUNDS.—Funds received through a grant made under this section with respect to tribal elementary or secondary educational programs at a contract or grant school shall remain available to the contract or grant school—

''(1) without fiscal year limitation; and

''(2) without reducing the amount of any grants otherwise payable to the school under this section for any fiscal year after the fiscal year for which the grant is provided.

''(g) TREATMENT OF FUNDS.—Funds received through a grant made under this section for Bureau funded programs operated by a tribe or tribal organization under a contract or grant shall not be taken into consideration for purposes of indirect cost underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived.

''(h) TREATMENT OF ENTITY OPERATING OTHER PROGRAMS.—In applying this section and section 106 of the Indian Self-Determination and Education Assistance Act with respect to an Indian tribe or tribal organization that—

''(1) receives funds under this section for administrative costs incurred in operating a contract or grant school or a school operated under the Tribally Controlled Schools Act of 1988; and

''(2) operates one or more other programs under a contract or grant provided under the Indian Self-Determination and Education Assistance Act,

the Secretary shall ensure that the Indian tribe or tribal organization is provided with the full amount of the administrative costs that are associated with operating the contract or grant school, and of the indirect costs, that are associated with all of such other programs, except that funds appropriated for implementation of this section shall be used only to supply the amount of the grant required to be provided by this section.

''(i) APPLICABILITY TO SCHOOLS OPERATING UNDER TRIBALLY CONTROLLED SCHOOLS ACT OF 1988.—The provisions of this section that apply to contract or grant schools shall also apply to those schools receiving assistance under the Tribally Controlled Schools Act of 1988.

''(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

''(k) ADMINISTRATIVE COST GRANT BUDGET REQUESTS.—

''(1) IN GENERAL.—Beginning with President's annual budget request under section 1105 of title 31, United States Code for fiscal year 2002, and with respect to each succeeding budget request, the Secretary shall submit to the appropriate committees of Congress information and funding requests for the full funding of administrative costs grants required to be paid under this section.

''(2) REQUIREMENTS.—

''(A) FUNDING FOR NEW CONVERSIONS TO CONTRACT OR GRANT SCHOOL OPERATIONS.—With respect to a budget request under paragraph (1), the amount required to provide full funding for an administrative cost grant for each tribe or tribal organization expected to begin operation of a Bureau-funded school as contract or grant school in the academic year funded by such annual budget request, the amount so required shall not be less than 10 percent of the amount required for subparagraph (B).

''(B) FUNDING FOR CONTINUING CONTRACT AND GRANT SCHOOL OPERATIONS.—With respect to a budget request under paragraph (1), the amount required to provide full funding for an administrative cost grant for each tribe or tribal organization operating a contract or grant school at the time the annual budget request is submitted, which amount shall include the amount of funds required to provide full funding for an administrative cost grant for each tribe or tribal organization which began operation of a contract or grant school with administrative cost grant funds supplied from the amount described in subparagraph (A).

"SEC. 1128. DIVISION OF BUDGET ANALYSIS.

''(a) ESTABLISHMENT.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary shall establish within the Office of Indian Education Programs a Division of Budget Analysis (referred to in this section as the 'Division'). Such Division shall be under the direct supervision and control of the Director of the Office.

''(b) FUNCTIONS.—In consultation with the tribal governing bodies and local school boards the Director of the Office, through the head of the Division, shall conduct studies, surveys, or other activities to gather demographic information on Bureau funded schools and project the amounts necessary to provide to Indian students in such schools the educational program set forth in this part.

''(c) ANNUAL REPORTS.—Not later than the date that the Assistant Secretary for Indian Affairs submits the annual budget request as part of the President's annual budget request under section 1105 of title 31, United States Code for each fiscal year after the date of enactment of the Native American Education Improvement Act of 2001, the Director of the Office shall submit to the appropriate committees of Congress (including the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate), all Bureau funded schools, and the tribal governing bodies relating to such schools, a report that shall contain—

''(1) projections, based on the information gathered pursuant to subsection (b) and any other relevant information, of amounts necessary to provide to Indian students in Bureau funded schools the educational program set forth in this part;

''(2) a description of the methods and formulas used to calculate the amounts projected pursuant to paragraph (1); and

''(3) such other information as the Director of the Office considers to be appropriate.

''(d) USE OF REPORTS.—The Director of the Office and the Assistant Secretary for Indian Affairs shall use the information contained in the annual report required by subsection (c) in preparing their annual budget requests.

"SEC. 1129. UNIFORM DIRECT FUNDING AND SUPPORT.

''(a) ESTABLISHMENT OF SYSTEM AND FORWARD FUNDING.—

''(1) IN GENERAL.—The Secretary shall establish, by regulation adopted in accordance

with section 1136, a system for the direct funding and support of all Bureau funded schools. Such system shall allot funds in accordance with section 1126. All amounts appropriated for distribution in accordance with this section shall be made available in accordance with paragraph (2).

''(2) TIMING FOR USE OF FUNDS.—

''(A) AVAILABILITY.—For the purposes of affording adequate notice of funding available pursuant to the allotments made under section 1126 and the allotments of funds for operation and maintenance of facilities, amounts appropriated in an appropriations Act for any fiscal year for such allotments shall become available for obligation by the affected schools on July 1 of the fiscal year for which such allotments are appropriated without further action by the Secretary, and shall remain available for obligation through the succeeding fiscal year.

''(B) PUBLICATIONS.—The Secretary shall, on the basis of the amounts appropriated as described in this paragraph—

''(i) publish, not later than July 1 of the fiscal year for which the amounts are appropriated, information indicating the amount of the allotments to be made to each affected school under section 1126, of 80 percent of such appropriated amounts; and

''(ii) publish, not later than September 30 of such fiscal year, information indicating the amount of the allotments to be made under section 1126, from the remaining 20 percent of such appropriated amounts, adjusted to reflect the actual student attendance.

Any overpayments made to tribal schools shall be returned to the Secretary not later than 30 days after the final determination that the school was overpaid pursuant to this section.

''(3) LIMITATION.—

''(A) EXPENDITURES.—Notwithstanding any other provision of law (including a regulation), the supervisor of a Bureau school may expend an aggregate of not more than $50,000 of the amount allotted to the school under section 1126 to acquire materials, supplies, equipment, operation services, maintenance services, and other services for the school, and amounts received as operations and maintenance funds, funds received from the Department of Education, or funds received from other Federal sources, without competitive bidding if—

''(i) the cost for any single item acquired does not exceed $15,000;

''(ii) the school board approves the acquisition;

''(iii) the supervisor certifies that the cost is fair and reasonable;

''(iv) the documents relating to the acquisition executed by the supervisor of the school or other school staff cite this paragraph as authority for the acquisition; and

''(v) the acquisition transaction is documented in a journal maintained at the school that clearly identifies when the transaction occurred, the item that was acquired and from whom, the price paid, the quantities acquired, and any other information the supervisor or the school board considers to be relevant.

''(B) NOTICE.—Not later than 6 months after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary shall send notice of the provisions of this paragraph to each supervisor of a Bureau school and associated school board chairperson, the education line officer of each agency and area, and the Bureau division in charge of procurement, at both the local and national levels.

''(C) APPLICATION AND GUIDELINES.—The Director of the Office shall be responsible for—

''(i) determining the application of this paragraph, including the authorization of specific individuals to carry out this paragraph;

''(ii) ensuring that there is at least 1 such individual at each Bureau facility; and

''(iii) the provision of guidelines on the use of this paragraph and adequate training on such guidelines.

''(b) LOCAL FINANCIAL PLANS FOR EXPENDITURE OF FUNDS.—

''(1) PLAN REQUIRED.—

''(A) IN GENERAL.—Each Bureau school that receives an allotment under section 1126 shall prepare a local financial plan that specifies the manner in which the school will expend the funds made available under the allotment and ensures that the school will meet the accreditation requirements or standards for the school pursuant to section 1121.

''(B) REQUIREMENT.—A local financial plan under subparagraph (A) shall comply with all applicable Federal and tribal laws.

''(C) PREPARATION AND REVISION.—The financial plan for a school under subparagraph (A) shall be prepared by the supervisor of the school in active consultation with the local school board for the school. The local school board for each school shall have the authority to ratify, reject, or amend such financial plan and, at the initiative of the local school board or in response to the supervisor of the school, to revise such financial plan to meet needs not foreseen at the time of preparation of the financial plan.

''(D) ROLE OF SUPERVISOR.—The supervisor of the school—

''(i) shall put into effect the decisions of the school board relating to the financial plan under subparagraph (A); and

''(ii) shall provide the appropriate local union representative of the education employees of the school with copies of proposed financial plans relating to the school and all modifications and proposed modifications to the plans, and at the same time submit such copies to the local school board.

''(iii) may appeal any such action of the local school board to the appropriate education line officer of the Bureau agency by filing a written statement describing the action and the reasons the supervisor believes such action should be overturned.

A copy of the statement under clause (iii) shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the appropriate education line officer may, for good cause, overturn the action of the local school board. The appropriate education line officer shall transmit the determination of such appeal in the form of a written opinion to such board and to such supervisor identifying the reasons for overturning such action.

''(2) REQUIREMENT.—A Bureau school shall expend amounts received under an allotment under section 1126 in accordance with the local financial plan prepared under paragraph (1).

''(c) TRIBAL DIVISION OF EDUCATION, SELF-DETERMINATION GRANT AND CONTRACT FUNDS.—The Secretary may approve applications for funding tribal divisions of education and developing tribal codes of education, from funds made available pursuant to section 103(a) of the Indian Self-Determination and Education Assistance Act.

''(d) TECHNICAL ASSISTANCE AND TRAINING.—A local school board may, in the exercise of the authority of the school board under this section, request technical assistance and training from the Secretary. The Secretary shall, to the greatest extent possible, provide such assistance and training, and make appropriate provision in the budget of the Office for such assistance and training.

''(e) SUMMER PROGRAM OF ACADEMIC AND SUPPORT SERVICES.—

''(1) IN GENERAL.—A financial plan prepared under subsection (b) for a school may include, at the discretion of the supervisor and the local school board of such school, a provision for funding a summer program of academic and support services for students of the school. Any such program may include activities related to the prevention of alcohol and substance abuse. The Assistant Secretary for Indian Affairs shall provide for the utilization of facilities of the school for such program during any summer in which such utilization is requested.

''(2) USE OF OTHER FUNDS.—Notwithstanding any other provision of law, funds authorized under the Act of April 16, 1934 (commonly known as the 'Johnson-O'Malley Act'; 48 Stat. 596, chapter 147) and this Act may be used to augment the services provided in each summer program referred to in paragraph (1) at the option of the tribe or school receiving such funds. The augmented services shall be under the control of the tribe or school.

''(3) TECHNICAL ASSISTANCE AND PROGRAM COORDINATION.—The Assistant Secretary for Indian Affairs, acting through the Director of the Office, shall provide technical assistance and coordination of activities for any program described in paragraph (1) and shall, to the extent possible, encourage the coordination of such programs with any other summer programs that might benefit Indian youth, regardless of the funding source or administrative entity of such programs.

''(f) COOPERATIVE AGREEMENTS.—

''(1) IN GENERAL.—From funds allotted to a Bureau school under section 1126, the Secretary shall, if specifically requested by the appropriate tribal governing body, implement a cooperative agreement that is entered into between the tribe, the Bureau, the local school board, and a local public school district that meets the requirements of paragraph (2) and involves the school. The tribe, the Bureau, the school board, and the local public school district shall determine the terms of the agreement.

''(2) COORDINATION PROVISIONS.—An agreement under paragraph (1) may, with respect to the Bureau school and schools in the school district involved, encompass coordination of all or any part of the following:

''(A) The academic program and curriculum, unless the Bureau school is accredited by a State or regional accrediting entity and would not continue to be so accredited if the agreement encompassed the program and curriculum.

''(B) Support services, including procurement and facilities maintenance.

''(C) Transportation.

''(3) EQUAL BENEFIT AND BURDEN.—

''(A) IN GENERAL.—Each agreement entered into pursuant to the authority provided in paragraph (1) shall confer a benefit upon the Bureau school commensurate with the burden assumed by the school.

''(B) LIMITATION.—Subparagraph (A) shall not be construed to require equal expenditures, or an exchange of similar services, by the Bureau school and schools in the school district.

''(g) PRODUCT OR RESULT OF STUDENT PROJECTS.—Notwithstanding any other provision of law, where there is agreement on action between the superintendent and the school board of a Bureau funded school, the product or result of a project conducted in whole or in major part by a student may be given to that student upon the completion of such project.

''(h) MATCHING FUND REQUIREMENTS.—

''(1) NOT CONSIDERED FEDERAL FUNDS.—Notwithstanding any other provision of law, funds received by a Bureau funded school under this title for education-related activities (not including funds for construction, maintenance, and facilities improvement or repair) shall not be considered Federal funds for the purposes of a matching funds requirement for any Federal program.

''(2) NONAPPLICATION OF REQUIREMENTS.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, no requirement relating to the provision of matching funds or the provision of services or in-kind activity as a condition of participation in a program or project or receipt of a grant, shall apply to a Bureau funded school unless the provision of law authorizing such requirement specifies that such requirement applies to such a school.

''(B) LIMITATION.—In considering an application from a Bureau funded school for participation in a program or project that has a requirement described in subparagraph (A), the entity administering such program or project or awarding such grant shall not give positive or negative weight to such application based solely on the provisions of this paragraph. Such an application shall be considered as if it fully met any matching requirement.

''SEC. 1130. POLICY FOR INDIAN CONTROL OF INDIAN EDUCATION.

''(a) FACILITATION OF INDIAN CONTROL.—It shall be the policy of the United States acting through the Secretary, in carrying out the functions of the Bureau, to facilitate Indian control of Indian affairs in all matters relating to education.

''(b) CONSULTATION WITH TRIBES.—

''(1) IN GENERAL.—All actions under this Act shall be done with active consultation with tribes. The United States acting through the Secretary, and tribes shall work in a government-to-government relationship to ensure quality education for all tribal members.

''(2) REQUIREMENTS.—The consultation required under paragraph (1) means a process involving the open discussion and joint deliberation of all options with respect to potential issues or changes between the Bureau and all interested parties. During such discussions and joint deliberations, interested parties (including tribes and school officials) shall be given an opportunity to present issues including proposals regarding changes in current practices or programs which will be considered for future action by the Secretary. All interested parties shall be given an opportunity to participate and discuss the options presented or to present alternatives, with the views and concerns of the interested parties given effect unless the Secretary determines, from information available from or presented by the interested parties during one or more of the discussions and deliberations, that there is a substantial reason for another course of action. The Secretary shall submit to any Member of Congress, within 18 days of the receipt of a written request by such Member, a written explanation of any decision made by the Secretary which is not consistent with the views of the interested parties.

''SEC. 1131. INDIAN EDUCATION PERSONNEL.

''(a) DEFINITIONS.—In this section:

''(1) EDUCATION POSITION.—The term 'education position' means a position in the Bureau the duties and responsibilities of which—

''(A) are performed on a school-year basis principally in a Bureau school and involve—

''(i) classroom or other instruction or the supervision or direction of classroom or other instruction;

''(ii) any activity (other than teaching) that requires academic credits in educational theory and practice equal to the academic credits in educational theory and practice required for a bachelor's degree in education from an accredited institution of higher education;

''(iii) any activity in or related to the field of education, whether or not academic credits in educational theory and practice are a formal requirement for the conduct of such activity; or

''(iv) provision of support services at, or associated with, the site of the school; or

''(B) are performed at the agency level of the Bureau and involve the implementation of education-related programs, other than the position of agency superintendent for education.

''(2) EDUCATOR.—The term 'educator' means an individual whose services are required, or who is employed, in an education position.

''(b) CIVIL SERVICE AUTHORITIES INAPPLICABLE.—Chapter 51, subchapter III of chapter 53, and chapter 63 of title 5, United States Code, relating to classification, pay, and leave, respectively, and the sections of such title relating to the appointment, promotion, hours of work, and removal of civil service employees, shall not apply to educators or to education positions.

''(c) REGULATIONS.—Not later than 60 days after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary shall prescribe regulations to carry out this section. Such regulations shall include provisions relating to—

''(1) the establishment of education positions;

''(2) the establishment of qualifications for educators and education personnel;

''(3) the fixing of basic compensation for educators and education positions;

''(4) the appointment of educators;

''(5) the discharge of educators;

''(6) the entitlement of educators to compensation;

''(7) the payment of compensation to educators;

''(8) the conditions of employment of educators;

''(9) the leave system for educators;

''(10) the length of the school year applicable to education positions described in subsection (a)(1)(A); and

''(11) such matters as may be appropriate.

''(d) QUALIFICATIONS OF EDUCATORS.—

''(1) REQUIREMENTS.—In prescribing regulations to govern the qualifications of educators, the Secretary shall require—

''(A) that lists of qualified and interviewed applicants for education positions be maintained in the appropriate agency or area office of the Bureau or, in the case of individuals applying at the national level, the Office;

''(B)(i) that a local school board have the authority to waive, on a case-by-case basis, any formal education or degree qualification established by regulation, in order for a tribal member to be hired in an education position to teach courses on tribal culture and language; and

''(ii) that a determination by a local school board that such a tribal member be hired shall be instituted by the supervisor of the school involved; and

''(C) that it shall not be a prerequisite to the employment of an individual in an education position at the local level—

''(i) that such individual's name appear on a list maintained pursuant to subparagraph (A); or

''(ii) that such individual have applied at the national level for an education position.

''(2) EXCEPTION FOR CERTAIN TEMPORARY EMPLOYMENT.—The Secretary may authorize the temporary employment in an education position of an individual who has not met the certification standards established pursuant to regulations, if the Secretary determines that failure to authorize the employment would result in that position remaining vacant.

''(e) HIRING OF EDUCATORS.—

''(1) REQUIREMENTS.—In prescribing regulations to govern the appointment of educators, the Secretary shall require—

''(A)(i)(I) that educators employed in a Bureau school (other than the supervisor of the school) shall be hired by the supervisor of the school; and

''(II) that, in a case in which there are no qualified applicants available to fill a vacancy at a Bureau school, the supervisor may consult a list maintained pursuant to subsection (d)(1)(A);

''(ii) each supervisor of a Bureau school shall be hired by the education line officer of the agency office of the Bureau for the jurisdiction in which the school is located;

''(iii) each educator employed in an agency office of the Bureau shall be hired by the superintendent for education of the agency office; and

''(iv) each education line officer and educator employed in the office of the Director of the Office shall be hired by the Director;

''(B)(i) that, before an individual is employed in an education position in a Bureau school by the supervisor of the school (or, with respect to the position of supervisor, by the appropriate agency education line officer), the local school board for the school shall be consulted; and

''(ii) that a determination by such school board, as evidenced by school board records, that such individual should or should not be so employed shall be instituted by the supervisor (or with respect to the position of supervisor, by the superintendent for education of the agency office);

''(C)(i) that, before an individual is employed in an education position in an agency or area office of the Bureau, the appropriate agency school board shall be consulted; and

''(ii) that a determination by such school board, as evidenced by school board records, that such individual should or should not be employed shall be instituted by the superintendent for education of the agency office; and

''(D) that all employment decisions or actions be in compliance with all applicable Federal, State and tribal laws.

''(2) INFORMATION REGARDING APPLICATION AT NATIONAL LEVEL.—

''(A) IN GENERAL.—Any individual who applies at the local level for an education position shall state on such individual's application whether or not such individual has applied at the national level for an education position.

''(B) EFFECT OF INACCURATE STATEMENT.—If an individual described in subparagraph (A) is employed at the local level, such individual's name shall be immediately forwarded

to the Secretary by the local employer. The Secretary shall, as soon as practicable but in no event later than 30 days after the receipt of the name, ascertain the accuracy of the statement made by such individual pursuant to subparagraph (A). Notwithstanding subsection (g), if the Secretary finds that the individual's statement was false, such individual, at the Secretary's discretion, may be disciplined or discharged.

''(C) EFFECT OF APPLICATION AT NATIONAL LEVEL.—If an individual described in subparagraph (A) has applied at the national level for an education position, the appointment of such individual at the local level shall be conditional for a period of 90 days. During that period, the Secretary may appoint a more qualified individual (as determined by the Secretary) from a list maintained pursuant to subsection (e)(1)(A) to the position to which such individual was appointed.

''(3) STATUTORY CONSTRUCTION.—Except as expressly provided, nothing in this section shall be construed as conferring upon local school boards authority over, or control of, educators at Bureau funded schools or the authority to issue management decisions.

''(4) APPEALS.—

''(A) BY SUPERVISOR.—The supervisor of a school may appeal to the appropriate agency education line officer any determination by the local school board for the school that an individual be employed, or not be employed, in an education position in the school (other than that of supervisor) by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the education line officer may, for good cause, overturn the determination of the local school board. The education line officer shall transmit the determination of such appeal in the form of a written opinion to such board and to such supervisor identifying the reasons for overturning such determination.

''(B) BY EDUCATION LINE OFFICER.—The education line officer of an agency office of the Bureau may appeal to the Director of the Office any determination by the local school board for the school that an individual be employed, or not be employed, as the supervisor of a school by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the Director may, for good cause, overturn the determination of the local school board. The Director shall transmit the determination of such appeal in the form of a written opinion to such board and to such education line officer identifying the reasons for overturning such determination.

''(5) OTHER APPEALS.—The education line officer of an agency office of the Bureau may appeal to the Director of the Office any determination by the agency school board that an individual be employed, or not be employed, in an education position in such agency office by filing a written statement describing the determination and the reasons the supervisor believes such determination should be overturned. A copy of such statement shall be submitted to the agency school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the Director may, for good cause, overturn the determination of the agency school board. The Director shall transmit the determination of such appeal in the form of a written opinion to such board and to such education line officer identifying the reasons for overturning such determination.

''(f) DISCHARGE AND CONDITIONS OF EMPLOYMENT OF EDUCATORS.—

''(1) REGULATIONS.—In prescribing regulations to govern the discharge and conditions of employment of educators, the Secretary shall require—

''(A) that procedures shall be established for the rapid and equitable resolution of grievances of educators;

''(B) that no educator may be discharged without notice of the reasons for the discharge and an opportunity for a hearing under procedures that comport with the requirements of due process; and

''(C) that each educator employed in a Bureau school shall be notified 30 days prior to the end of an academic year whether the employment contract of the individual will be renewed for the following year.

''(2) PROCEDURES FOR DISCHARGE.—

''(A) DETERMINATIONS.—The supervisor of a Bureau school may discharge (subject to procedures established under paragraph (1)(B)) for cause (as determined under regulations prescribed by the Secretary) any educator employed in such school. On giving notice to an educator of the supervisor's intention to discharge the educator, the supervisor shall immediately notify the local school board of the proposed discharge. A determination by the local school board that such educator shall not be discharged shall be followed by the supervisor.

''(B) APPEALS.—The supervisor shall have the right to appeal a determination by a local school board under subparagraph (A), as evidenced by school board records, not to discharge an educator to the education line officer of the appropriate agency office of the Bureau. Upon hearing such an appeal, the agency education line officer may, for good cause, issue a decision overturning the determination of the local school board with respect to the employment of such individual. The education line officer shall make the decision in writing and submit the decision to the local school board.

''(3) RECOMMENDATIONS OF SCHOOL BOARDS FOR DISCHARGE.—Each local school board for a Bureau school shall have the right—

''(A) to recommend to the supervisor that an educator employed in the school be discharged; and

''(B) to recommend to the education line officer of the appropriate agency office of the Bureau and to the Director of the Office, that the supervisor of the school be discharged.

''(g) APPLICABILITY OF INDIAN PREFERENCE LAWS.—

''(1) IN GENERAL.—Notwithstanding any provision of the Indian preference laws, such laws shall not apply in the case of any personnel action carried out under this section with respect to an applicant or employee not entitled to an Indian preference if each tribal organization concerned grants a written waiver of the application of such laws with respect to such personnel action and states that such waiver is necessary. This paragraph shall not be construed to relieve the Bureau's responsibility to issue timely and adequate announcements and advertisements concerning any such personnel action if such action is intended to fill a vacancy (no matter how such vacancy is created).

''(2) DEFINITIONS.—In this subsection:

''(A) INDIAN PREFERENCE LAWS.—The term 'Indian preference laws' means section 12 of the Act of June 18, 1934 (48 Stat. 986, chapter 576) or any other provision of law granting a preference to Indians in promotions and other personnel actions. Such term shall not include section 7(b) of the Indian Self-Determination and Education Assistance Act.

''(B) TRIBAL ORGANIZATION.—The term 'tribal organization' means—

''(i) the recognized governing body of any Indian tribe, band, nation, pueblo, or other organized community, including a Native village (as defined in section 3(c) of the Alaska Native Claims Settlement Act); or

''(ii) in connection with any personnel action referred to in this subsection, any local school board to which the governing body has delegated the authority to grant a waiver under this subsection with respect to a personnel action.

''(h) COMPENSATION OR ANNUAL SALARY.—

''(1) IN GENERAL.—

''(A) COMPENSATION FOR EDUCATORS AND EDUCATION POSITIONS.—Except as otherwise provided in this section, the Secretary shall establish the compensation or annual salary rate for educators and education positions—

''(i) at rates in effect under the General Schedule for individuals with comparable qualifications, and holding comparable positions, to whom chapter 51 of title 5, United States Code, is applicable; or

''(ii) on the basis of the Federal Wage System schedule in effect for the locality involved, and for the comparable positions, at the rates of compensation in effect for the senior executive service.

''(B) COMPENSATION OR SALARY FOR TEACHERS AND COUNSELORS.—The Secretary shall establish the rate of compensation, or annual salary rate, for the positions of teachers and counselors (including dormitory counselors and home-living counselors) at the rate of compensation applicable (on the date of enactment of the Native American Education Improvement Act of 2001 and thereafter) for comparable positions in the overseas schools under the Defense Department Overseas Teachers Pay and Personnel Practices Act. The Secretary shall allow the local school boards involved authority to implement only the aspects of the Defense Department Overseas Teachers Pay and Personnel Practices Act pay provisions that are considered essential for recruitment and retention of teachers and counselors. Implementation of such provisions shall not be construed to require the implementation of that entire Act.

''(C) RATES FOR NEW HIRES.—

''(i) IN GENERAL.—Beginning with the first fiscal year following the date of enactment of the Native American Education Improvement Act of 2001, each local school board of a Bureau school may establish a rate of compensation or annual salary rate described in clause (ii) for teachers and counselors (including academic counselors) who are new hires at the school and who had not worked at the school, as of the first day of such fiscal year.

''(ii) CONSISTENT RATES.—The rates established under clause (i) shall be consistent with the rates paid for individuals in the same positions, with the same tenure and training, as the teachers and counselors, in any other school within whose boundaries the Bureau school is located.

''(iii) DECREASES.—In an instance in which the establishment of rates under clause (i)

causes a reduction in compensation at a school from the rate of compensation that was in effect for the first fiscal year following the date of enactment of the Native American Education Improvement Act of 2001, the new rates of compensation may be applied to the compensation of employees of the school who worked at the school as of such date of enactment by applying those rates at each contract renewal for the employees so that the reduction takes effect in 3 equal installments.

''(iv) INCREASES.—In an instance in which the establishment of such rates at a school causes an increase in compensation from the rate of compensation that was in effect for the first fiscal year following the date of enactment of the Native American Education Improvement Act of 2001, the school board may apply the new rates at the next contract renewal so that either—

''(I) the entire increase occurs on 1 date; or

''(II) the increase takes effect in 3 equal installments.

''(D) ESTABLISHED REGULATIONS, PROCEDURES, AND ARRANGEMENTS.—

''(i) PROMOTIONS AND ADVANCEMENTS.—The establishment of rates of compensation and annual salary rates under subparagraphs (B) and (C) shall not preclude the use of regulations and procedures used by the Bureau prior to April 28, 1988, in making determinations regarding promotions and advancements through levels of pay that are based on the merit, education, experience, or tenure of an educator.

''(ii) CONTINUED EMPLOYMENT OR COMPENSATION.—The establishment of rates of compensation and annual salary rates under subparagraphs (B) and (C) shall not affect the continued employment or compensation of an educator who was employed in an education position on October 31, 1979, and who did not make an election under subsection (o), as in effect on January 1, 1990.

''(2) POST DIFFERENTIAL RATES.—

''(A) IN GENERAL.—The Secretary may pay a post differential rate not to exceed 25 percent of the rate of compensation, for educators or education positions, on the basis of conditions of environment or work that warrant additional pay, as a recruitment and retention incentive.

''(B) SUPERVISOR'S AUTHORITY.—

''(i) IN GENERAL.—Except as provided in clause (ii) on the request of the supervisor and the local school board of a Bureau school, the Secretary shall grant the supervisor of the school authorization to provide 1 or more post differential rates under subparagraph (A).

''(ii) EXCEPTION.—The Secretary shall disapprove, or approve with a modification, a request for authorization to provide a post differential rate if the Secretary determines for clear and convincing reasons (and advises the board in writing of those reasons) that the rate should be disapproved or decreased because the disparity of compensation between the appropriate educators or positions in the Bureau school, and the comparable educators or positions at the nearest public school, is—

''(I)(aa) at least 5 percent; or

''(bb) less than 5 percent; and

''(II) does not affect the recruitment or retention of employees at the school.

''(iii) APPROVAL OF REQUESTS.—A request made under clause (i) shall be considered to be approved at the end of the 60th day after the request is received in the Central Office of the Bureau unless before that time the request is approved, approved with a modification, or disapproved by the Secretary.

''(iv) DISCONTINUATION OF OR DECREASE IN RATES.—The Secretary or the supervisor of a Bureau school may discontinue or decrease a post differential rate provided for under this paragraph at the beginning of an academic year if—

''(I) the local school board requests that such differential be discontinued or decreased; or

''(II) the Secretary or the supervisor, respectively, determines for clear and convincing reasons (and advises the board in writing of those reasons) that there is no disparity of compensation that would affect the recruitment or retention of employees at the school after the differential is discontinued or decreased.

''(v) REPORTS.—On or before February 1 of each year, the Secretary shall submit to Congress a report describing the requests and approvals of authorization made under this paragraph during the previous year and listing the positions receiving post differential rates under contracts entered into under those authorizations.

''(i) LIQUIDATION OF REMAINING LEAVE UPON TERMINATION.—Upon termination of employment with the Bureau, any annual leave remaining to the credit of an individual within the purview of this section shall be liquidated in accordance with sections 5551(a) and 6306 of title 5, United States Code, except that leave earned or accrued under regulations prescribed pursuant to subsection (c)(9) shall not be so liquidated.

''(j) TRANSFER OF REMAINING LEAVE UPON TRANSFER, PROMOTION, OR REEMPLOYMENT.—In the case of any educator who—

''(1) is transferred, promoted, or reappointed, without a break in service, to a position in the Federal Government under a different leave system than the system for leave described in subsection (c)(9); and

''(2) earned or was credited with leave under the regulations prescribed under subsection (c)(9) and has such leave remaining to the credit of such educator;

such leave shall be transferred to such educator's credit in the employing agency for the position on an adjusted basis in accordance with regulations that shall be prescribed by the Director of the Office of Personnel Management.

''(k) INELIGIBILITY FOR EMPLOYMENT OF VOLUNTARILY TERMINATED EDUCATORS.—An educator who voluntarily terminates employment under an employment contract with the Bureau before the expiration of the employment contract shall not be eligible to be employed in another education position in the Bureau during the remainder of the term of such contract.

''(l) DUAL COMPENSATION.—In the case of any educator employed in an education position described in subsection (a)(1)(A) who—

''(1) is employed at the end of an academic year;

''(2) agrees in writing to serve in such position for the next academic year; and

''(3) is employed in another position during the recess period immediately preceding such next academic year, or during such recess period receives additional compensation referred to in section 5533 of title 5, United States Code, relating to dual compensation;

such section 5533 shall not apply to such educator by reason of any such employment during the recess period with respect to any receipt of additional compensation.

''(m) VOLUNTARY SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretary may, subject to the approval of the local school boards concerned, accept voluntary services on behalf of Bureau schools. Nothing in this part shall be construed to require Federal employees to work without compensation or to allow the use of volunteer services to displace or replace Federal employees. An individual providing volunteer services under this section shall be considered to be a Federal employee only for purposes of chapter 81 of title 5, United States Code, and chapter 171 of title 28, United States Code.

''(n) PRORATION OF PAY.—

''(1) ELECTION OF EMPLOYEE.—Notwithstanding any other provision of law, including laws relating to dual compensation, the Secretary, at the election of an educator, shall prorate the salary of the educator for an academic year over a 12-month period. Each educator employed for the academic year shall annually elect to be paid on a 12-month basis or for those months while school is in session. No educator shall suffer a loss of pay or benefits, including benefits under unemployment or other Federal or federally assisted programs, because of such election.

''(2) CHANGE OF ELECTION.—During the course of such academic year, the employee may change the election made under paragraph (1) once.

''(3) LUMP-SUM PAYMENT.—That portion of the employee's pay that would be paid between academic years may be paid in a lump sum at the election of the employee.

''(4) APPLICATION.—This subsection applies to educators, whether employed under this section or title 5, United States Code.

''(o) EXTRACURRICULAR ACTIVITIES.—

''(1) STIPEND.—Notwithstanding any other provision of law, the Secretary may provide, for Bureau employees in each Bureau area, a stipend in lieu of overtime premium pay or compensatory time off for overtime work. Any employee of the Bureau who performs overtime work that consists of additional activities to provide services to students or otherwise support the school's academic and social programs may elect to be compensated for all such work on the basis of the stipend. Such stipend shall be paid as a supplement to the employee's base pay.

''(2) ELECTION NOT TO RECEIVE STIPEND.—If an employee elects not to be compensated through the stipend established by this subsection, the appropriate provisions of title 5, United States Code, shall apply with respect to the work involved.

''(3) APPLICATION.—This subsection applies to Bureau employees, whether employed under this section or title 5, United States Code.

''(p) COVERED INDIVIDUALS; ELECTION.—This section shall apply with respect to any educator hired after November 1, 1979 (and to any educator who elected to be covered under this section or a corresponding provision after November 1, 1979) and to the position in which such educator is employed. The enactment of this section shall not affect the continued employment of an individual employed on October 31, 1979 in an education position, or such person's right to receive the compensation attached to such position.

''(q) FURLOUGH WITHOUT CONSENT.—

''(1) IN GENERAL.—An educator who was employed in an education position on October 31, 1979, who was eligible to make an election under subsection (p) at that time, and who did not make the election under such subsection, may not be placed on furlough (within the meaning of section 7511(a)(5) of title 5, United States Code, without the consent of such educator for an aggregate of more than 4 weeks within the same calendar year, unless—

''(A) the supervisor, with the approval of the local school board (or of the education line officer upon appeal under paragraph (2)), of the Bureau school at which such educator provides services determines that a longer period of furlough is necessary due to an insufficient amount of funds available for personnel compensation at such school, as determined under the financial plan process as determined under section 1129(b); and

''(B) all educators (other than principals and clerical employees) providing services at such Bureau school are placed on furloughs of equal length, except that the supervisor, with the approval of the local school board (or of the agency education line officer upon appeal under paragraph (2)), may continue 1 or more educators in pay status if—

''(i) such educators are needed to operate summer programs, attend summer training sessions, or participate in special activities including curriculum development committees; and

''(ii) such educators are selected based upon such educator's qualifications after public notice of the minimum qualifications reasonably necessary and without discrimination as to supervisory, nonsupervisory, or other status of the educators who apply.

''(2) APPEALS.—The supervisor of a Bureau school may appeal to the appropriate agency education line officer any refusal by the local school board to approve any determination of the supervisor that is described in paragraph (1)(A) by filing a written statement describing the determination and the reasons the supervisor believes such determination should be approved. A copy of such statement shall be submitted to the local school board and such board shall be afforded an opportunity to respond, in writing, to such appeal. After reviewing such written appeal and response, the education line officer may, for good cause, approve the determination of the supervisor. The educational line officer shall transmit the determination of such appeal in the form of a written opinion to such local school board and to the supervisor identifying the reasons for approving such determination.

''(r) STIPENDS.—The Secretary is authorized to provide annual stipends to teachers who become certified by the National Board of Professional Teaching Standards.

"SEC. 1132. COMPUTERIZED MANAGEMENT INFORMATION SYSTEM.

''(a) IN GENERAL.—Not later than 12 months after the date of enactment of the Native American Education Improvement Act of 2001, the Secretary shall update the computerized management information system within the Office. The information to be updated shall include information regarding—

''(1) student enrollment;

''(2) curricula;

''(3) staffing;

''(4) facilities;

''(5) community demographics;

''(6) student assessment information;

''(7) information on the administrative and program costs attributable to each Bureau program, divided into discrete elements;

''(8) relevant reports;

''(9) personnel records;

''(10) finance and payroll; and

''(11) such other items as the Secretary determines to be appropriate.

''(b) IMPLEMENTATION OF SYSTEM.—Not later than July 1 2003, the Secretary shall complete the implementation of the updated computerized management information system at each Bureau field office and Bureau funded school.

"SEC. 1133. RECRUITMENT OF INDIAN EDUCATORS.

''The Secretary shall institute a policy for the recruitment of qualified Indian educators and a detailed plan to promote employees from within the Bureau. Such plan shall include provisions for opportunities for acquiring work experience prior to receiving an actual work assignment.

"SEC. 1134. ANNUAL REPORT; AUDITS.

''(a) ANNUAL REPORTS.—The Secretary shall submit to each appropriate committee of Congress, all Bureau funded schools, and the tribal governing bodies of such schools, a detailed annual report on the state of education within the Bureau and any problems encountered in Indian education during the period covered by the report. Such report shall contain suggestions for the improvement of the Bureau educational system and for increasing tribal or local Indian control of such system. Such report shall also include information on the status of tribally controlled community colleges.

''(b) BUDGET REQUEST.—The annual budget request for the Bureau's education programs, as submitted as part of the President's next annual budget request under section 1105 of title 31, United States Code shall include the plans required by sections 1121(c), 1122(c), and 1124(c).

''(c) FINANCIAL AND COMPLIANCE AUDITS.—The Inspector General of the Department of the Interior shall establish a system to ensure that financial and compliance audits are conducted for each Bureau school at least once in every 3 years. Such an audit of a Bureau school shall examine the extent to which such school has complied with the local financial plan prepared by the school under section 1129(b).

''(d) ADMINISTRATIVE EVALUATION OF SCHOOLS.—The Director shall, at least once every 3 to 5 years, conduct a comprehensive evaluation of Bureau operated schools. Such evaluation shall be in addition to any other program review or evaluation that may be required under Federal law.

"SEC. 1135. RIGHTS OF INDIAN STUDENTS.

''The Secretary shall prescribe such rules and regulations as may be necessary to ensure the protection of the constitutional and civil rights of Indian students attending Bureau funded schools, including such students' right to privacy under the laws of the United States, such students' right to freedom of religion and expression, and such students' right to due process in connection with disciplinary actions, suspensions, and expulsions.

"SEC. 1136. REGULATIONS.

''(a) IN GENERAL.—The Secretary may issue only such regulations as may be necessary to ensure compliance with the specific provisions of this part and only such regulations as the Secretary is authorized to issue pursuant to section 5211 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2510). In issuing the regulations, the Secretary shall publish proposed regulations in the Federal Register, and shall provide a period of not less than 120 days for public comment and consultation on the regulations. The regulations shall contain, immediately following each regulatory section, a citation to any statutory provision providing authority to issue such regulatory section.

''(b) REGIONAL MEETINGS.—Prior to publishing any proposed regulations under subsection (a) and prior to establishing the negotiated rulemaking committee under subsection (c), the Secretary shall convene regional meetings to consult with personnel of the Office of Indian Education Programs, educators at Bureau schools, and tribal officials, parents, teachers, administrators, and school board members of tribes served by Bureau funded schools to provide guidance to the Secretary on the content of regulations authorized to be issued under this part and the Tribally Controlled Schools Act of 1988.

''(c) NEGOTIATED RULEMAKING.—

''(1) IN GENERAL.—Notwithstanding sections 563(a) and 565(a) of title 5, United States Code, the Secretary shall promulgate regulations authorized under subsection (a) and under the Tribally Controlled Schools Act of 1988, in accordance with the negotiated rulemaking procedures provided for under subchapter III of chapter 5 of title 5, United States Code, and shall publish final regulations in the Federal Register.

''(2) EXPIRATION OF AUTHORITY.—The authority of the Secretary to promulgate regulations under this part and under the Tribally Controlled Schools Act of 1988, shall expire on the date that is 18 months after the date of enactment of this part. If the Secretary determines that an extension of the deadline under this paragraph is appropriate, the Secretary may submit proposed legislation to Congress for an extension of such deadline.

''(3) RULEMAKING COMMITTEE.—The Secretary shall establish a negotiated rulemaking committee to carry out this subsection. In establishing such committee, the Secretary shall—

''(A) apply the procedures provided for under subchapter III of chapter 5 of title 5, United States Code, in a manner that reflects the unique government-to-government relationship between Indian tribes and the United States;

''(B) ensure that the membership of the committee includes only representatives of the Federal Government and of tribes served by Bureau-funded schools;

''(C) select the tribal representatives of the committee from among individuals nominated by the representatives of the tribal and tribally-operated schools;

''(D) ensure, to the maximum extent possible, that the tribal representative membership on the committee reflects the proportionate share of students from tribes served by the Bureau funded school system; and

''(E) comply with the Federal Advisory Committee Act (5 U.S.C. App. 2).

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as necessary to carry out the negotiated rulemaking provided for under this section. In the absence of a specific appropriation to carry out this subsection, the Secretary shall pay the costs of the negotiated rulemaking proceedings from the general administrative funds of the Department of the Interior.

''(d) APPLICATION OF SECTION.—

''(1) SUPREMACY OF PROVISIONS.—The provisions of this section shall supersede any conflicting provisions of law (including any conflicting regulations) in effect on the day before the date of enactment of this part, and the Secretary may repeal any regulation that is inconsistent with the provisions of this part.

''(2) MODIFICATIONS.—The Secretary may modify regulations promulgated under this section or the Tribally Controlled Schools Act of 1988, only in accordance with this section.

"SEC. 1137. EARLY CHILDHOOD DEVELOPMENT PROGRAM.

''(a) GRANTS.—The Secretary shall make grants to tribes, tribal organizations, and consortia of tribes and tribal organizations

to fund early childhood development programs that are operated by such tribes, organizations, or consortia.

''(b) AMOUNT OF GRANTS.—

''(1) IN GENERAL.—The amount of the grant made under subsection (a) to each eligible tribe, tribal organization, or consortium of tribes or tribal organizations for each fiscal year shall be equal to the amount that bears the same relationship to the total amount appropriated under subsection (g) for such fiscal year (other than amounts reserved under subsection (f)) as—

''(A) the total number of children under age 6 who are members of—

''(i) such tribe;

''(ii) the tribe that authorized such tribal organization; or

''(iii) any tribe that—

''(I) is a member of such consortium; or

''(II) so authorizes any tribal organization that is a member of such consortium; bears to

''(B) the total number of all children under age 6 who are members of any tribe that—

''(i) is eligible to receive funds under subsection (a);

''(ii) is a member of a consortium that is eligible to receive such funds; or

''(iii) is authorized by any tribal organization that is eligible to receive such funds.

''(2) LIMITATION.—No grant may be made under subsection (a)—

''(A) to any tribe that has fewer than 500 members;

''(B) to any tribal organization that is authorized to act—

''(i) on behalf of only 1 tribe that has fewer than 500 members; or

''(ii) on behalf of 1 or more tribes that have a combined total membership of fewer than 500 members; or

''(C) to any consortium composed of tribes, or tribal organizations authorized by tribes to act on behalf of the tribes, that have a combined total tribal membership of fewer than 500 members.

''(c) APPLICATIONS.—

''(1) IN GENERAL.—To be eligible to receive a grant under subsection (a), a tribe, tribal organization, or consortium shall submit to the Secretary an application for the grant at such time, in such manner, and containing such information as the Secretary shall prescribe.

''(2) CONTENTS.—An application submitted under paragraph (1) shall describe the early childhood development program that the applicant desires to operate.

''(d) REQUIREMENT OF PROGRAMS FUNDED.—In operating an early childhood development program that is funded through a grant made under subsection (a), a tribe, tribal organization, or consortium—

''(1) shall coordinate the program with other childhood development programs and may provide services that meet identified needs of parents, and children under age 6, that are not being met by the programs, including needs for—

''(A) prenatal care;

''(B) nutrition education;

''(C) health education and screening;

''(D) family literacy services;

''(E) educational testing; and

''(F) other educational services;

''(2) may include, in the early childhood development program funded through the grant, instruction in the language, art, and culture of the tribe served by the program; and

''(3) shall provide for periodic assessments of the program.

''(e) COORDINATION OF FAMILY LITERACY PROGRAMS.—An entity that operates a family literacy program under this section or another similar program funded by the Bureau shall coordinate the program involved with family literacy programs for Indian children carried out under part B of title I of the Elementary and Secondary Education Act of 1965 in order to avoid duplication and to encourage the dissemination of information on quality family literacy programs serving Indians.

''(f) ADMINISTRATIVE COSTS.—The Secretary shall reserve funds appropriated under subsection (g) to include in each grant made under subsection (a) an amount for administrative costs incurred by the tribe, tribal organization, or consortium involved in establishing and maintaining the early childhood development program.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of fiscal years 2002, 2003, 2004, 2005, and 2006.

''SEC. 1138. TRIBAL DEPARTMENTS OR DIVISIONS OF EDUCATION.

''(a) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall make grants and provide technical assistance to tribes for the development and operation of tribal departments or divisions of education for the purpose of planning and coordinating all educational programs of the tribe.

''(b) APPLICATIONS.—For a tribe to be eligible to receive a grant under this section, the governing body of the tribe shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(c) DIVERSITY.—The Secretary shall award grants under this section in a manner that fosters geographic and population diversity.

''(d) USE.—Tribes that receive grants under this section shall use the funds made available through the grants—

''(1) to facilitate tribal control in all matters relating to the education of Indian children on reservations (and on former Indian reservations in Oklahoma);

''(2) to provide for the development of coordinated educational programs (including all preschool, elementary, secondary, and higher or vocational educational programs funded by tribal, Federal, or other sources) on reservations (and on former Indian reservations in Oklahoma) by encouraging tribal administrative support of all Bureau funded educational programs as well as encouraging tribal cooperation and coordination with entities carrying out all educational programs receiving financial support from other Federal agencies, State agencies, or private entities; and

''(3) to provide for the development and enforcement of tribal educational codes, including tribal educational policies and tribal standards applicable to curriculum, personnel, students, facilities, and support programs.

''(e) PRIORITIES.—In making grants under this section, the Secretary shall give priority to any application that—

''(1) includes—

''(A) assurances that the applicant serves 3 or more separate Bureau funded schools; and

''(B) assurances from the applicant that the tribal department of education to be funded under this section will provide coordinating services and technical assistance to all of such schools; and

''(2) includes assurances that all education programs for which funds are provided by such a contract or grant will be monitored and audited, by or through the tribal department of education, to ensure that the programs meet the requirements of law; and

''(3) provides a plan and schedule that—

''(A) provides for—

''(i) the assumption, by the tribal department of education, of all assets and functions of the Bureau agency office associated with the tribe, to the extent the assets and functions relate to education; and

''(ii) the termination by the Bureau of such functions and office at the time of such assumption; and

''(B) provides that the assumption shall occur over the term of the grant made under this section, except that, when mutually agreeable to the tribal governing body and the Assistant Secretary, the period in which such assumption is to occur may be modified, reduced, or extended after the initial year of the grant.

''(e) TIME PERIOD OF GRANT.—Subject to the availability of appropriated funds, a grant provided under this section shall be provided for a period of 3 years. If the performance of the grant recipient is satisfactory to the Secretary, the grant may be renewed for additional 3-year terms.

''(f) TERMS, CONDITIONS, OR REQUIREMENTS.—A tribe that receives a grant under this section shall comply with regulations relating to grants made under section 103(a) of the Indian Self-Determination and Education Assistance Act that are in effect on the date that the tribal governing body submits the application for the grant under subsection (c). The Secretary shall not impose any terms, conditions, or requirements on the provision of grants under this section that are not specified in this section.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $2,000,000 for fiscal year 2002 and such sums as may be necessary for each of fiscal years 2003, 2004, 2005, and 2006.

''SEC. 1139. DEFINITIONS.

''In this part, unless otherwise specified:

''(1) AGENCY SCHOOL BOARD.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'agency school board' means a body, for which—

''(i) the members are appointed by all of the school boards of the schools located within an agency, including schools operated under contracts or grants; and

''(ii) the number of such members shall be determined by the Secretary in consultation with the affected tribes.

''(B) EXCEPTIONS.—In the case of an agency serving a single school, the school board of such school shall be considered to be the agency school board. In the case of an agency serving a school or schools operated under a contract or grant, at least 1 member of the body described in subparagraph (A) shall be from such a school.

''(2) BUREAU.—The term 'Bureau' means the Bureau of Indian Affairs of the Department of the Interior.

''(3) BUREAU FUNDED SCHOOL.—The term 'Bureau funded school' means—

''(A) a Bureau school;

''(B) a contract or grant school; or

''(C) a school for which assistance is provided under the Tribally Controlled Schools Act of 1988.

''(4) BUREAU SCHOOL.—The term 'Bureau school' means—

''(A) a Bureau operated elementary school or secondary school that is a day or boarding school; or

''(B) a Bureau operated dormitory for students attending a school other than a Bureau school.

''(5) COMPLEMENTARY EDUCATIONAL FACILITIES.—The term 'complementary educational facilities' means educational program functional spaces including a library, gymnasium, and cafeteria.

''(6) CONTRACT OR GRANT SCHOOL.—The term 'contract or grant school' means an elementary school, secondary school, or dormitory that receives financial assistance for its operation under a contract, grant, or agreement with the Bureau under section 102, 103(a), or 208 of the Indian Self-Determination and Education Assistance Act, or under the Tribally Controlled Schools Act of 1988.

''(7) DIRECTOR.—The term 'Director' means the Director of the Office of Indian Education Programs.

''(8) EDUCATION LINE OFFICER.—The term 'education line officer' means a member of the education personnel under the supervision of the Director of the Office, whether located in a central, area, or agency office.

''(9) FINANCIAL PLAN.—The term 'financial plan' means a plan of services provided by each Bureau school.

''(10) INDIAN ORGANIZATION.—The term 'Indian organization' means any group, association, partnership, corporation, or other legal entity owned or controlled by a federally recognized Indian tribe or tribes, or a majority of whose members are members of federally recognized tribes.

''(11) INHERENTLY FEDERAL FUNCTIONS.—The term 'inherently Federal functions' means functions and responsibilities which, under section 1125(c), are non-contractible, including—

''(A) the allocation and obligation of Federal funds and determinations as to the amounts of expenditures;

''(B) the administration of Federal personnel laws for Federal employees;

''(C) the administration of Federal contracting and grant laws, including the monitoring and auditing of contracts and grants in order to maintain the continuing trust, programmatic, and fiscal responsibilities of the Secretary;

''(D) the conducting of administrative hearings and deciding of administrative appeals;

''(E) the determination of the Secretary's views and recommendations concerning administrative appeals or litigation and the representation of the Secretary in administrative appeals and litigation;

''(F) the issuance of Federal regulations and policies as well as any documents published in the Federal Register;

''(G) reporting to Congress and the President;

''(H) the formulation of the Secretary's and the President's policies and their budgetary and legislative recommendations and views; and

''(I) the non-delegable statutory duties of the Secretary relating to trust resources.

''(12) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, or independent or other school district located within a State, and includes any State agency that directly operates and maintains facilities for providing free public education.

''(13) LOCAL SCHOOL BOARD.—The term 'local school board', when used with respect to a Bureau school, means a body chosen in accordance with the laws of the tribe to be served or, in the absence of such laws, elected by the parents of the Indian children attending the school, except that, for a school serving a substantial number of students from different tribes—

''(A) the members of the body shall be appointed by the tribal governing bodies of the tribes affected; and

''(B) the number of such members shall be determined by the Secretary in consultation with the affected tribes.

''(14) OFFICE.—The term 'Office' means the Office of Indian Education Programs within the Bureau.

''(15) REGULATION.—The term ''regulation'' means any part of a statement of general or particular applicability of the Secretary designed to carry out, interpret, or prescribe law or policy in carrying out this Act.

''(16) SECRETARY.—The term 'Secretary' means the Secretary of the Interior.

''(17) SUPERVISOR.—The term 'supervisor' means the individual in the position of ultimate authority at a Bureau school.

''(18) TRIBAL GOVERNING BODY.—The term 'tribal governing body' means, with respect to any school, the tribal governing body, or tribal governing bodies, that represent at least 90 percent of the students served by such school.

''(19) TRIBE.—The term 'tribe' means any Indian tribe, band, nation, or other organized group or community, including an Alaska Native Regional Corporation or Village Corporation (as defined in or established pursuant to the Alaska Native Claims Settlement Act), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.''.

Subtitle B—Tribally Controlled Schools Act of 1988

SEC. ___201. TRIBALLY CONTROLLED SCHOOLS.

Sections 5202 through 5213 of the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.) are amended to read as follows:

''SEC. 5202. FINDINGS.

''Congress, after careful review of the Federal Government's historical and special legal relationship with, and resulting responsibilities to, Indians, finds that—

''(1) the Indian Self-Determination and Education Assistance Act, which was a product of the legitimate aspirations and a recognition of the inherent authority of Indian nations, was and is a crucial positive step towards tribal and community control;

''(2) because of the Bureau of Indian Affairs' administration and domination of the contracting process under such Act, Indians have not been provided with the full opportunity to develop leadership skills crucial to the realization of self-government and have been denied an effective voice in the planning and implementation of programs for the benefit of Indians that are responsive to the true needs of Indian communities;

''(3) Indians will never surrender their desire to control their relationships both among themselves and with non-Indian governments, organizations, and persons;

''(4) true self-determination in any society of people is dependent upon an educational process that will ensure the development of qualified people to fulfill meaningful leadership roles;

''(5) the Federal administration of education for Indian children have not effected the desired level of educational achievement or created the diverse opportunities and personal satisfaction that education can and should provide;

''(6) true local control requires the least possible Federal interference; and

''(7) the time has come to enhance the concepts made manifest in the Indian Self-Determination and Education Assistance Act.

''SEC. 5203. DECLARATION OF POLICY.

''(a) RECOGNITION.—Congress recognizes the obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational services so as to render the persons administering such services and the services themselves more responsive to the needs and desires of Indian communities.

''(b) COMMITMENT.—Congress declares its commitment to the maintenance of the Federal Government's unique and continuing trust relationship with and responsibility to the Indian people through the establishment of a meaningful Indian self-determination policy for education that will deter further perpetuation of Federal bureaucratic domination of programs.

''(c) NATIONAL GOAL.—Congress declares that a major national goal of the United States is to provide the resources, processes, and structure that will enable tribes and local communities to obtain the quantity and quality of educational services and opportunities that will permit Indian children—

''(1) to compete and excel in the life areas of their choice; and

''(2) to achieve the measure of self-determination essential to their social and economic well-being.

''(d) EDUCATIONAL NEEDS.—Congress affirms—

''(1) the reality of the special and unique educational needs of Indian people, including the need for programs to meet the linguistic and cultural aspirations of Indian tribes and communities; and

''(2) that the needs may best be met through a grant process.

''(e) FEDERAL RELATIONS.—Congress declares a commitment to the policies described in this section and support, to the full extent of congressional responsibility, for Federal relations with the Indian nations.

''(f) TERMINATION.—Congress repudiates and rejects House Concurrent Resolution 108 of the 83d Congress and any policy of unilateral termination of Federal relations with any Indian Nation.

''SEC. 5204. GRANTS AUTHORIZED.

''(a) IN GENERAL.—

''(1) ELIGIBILITY.—The Secretary shall provide grants to Indian tribes and tribal organizations that—

''(A) operate contract schools under title XI of the Education Amendments of 1978 and notify the Secretary of their election to operate the schools with assistance under this part rather than continuing to operate such schools as contract schools under such title;

''(B) operate other tribally controlled schools eligible for assistance under this part and submit applications (which are approved by their tribal governing bodies) to the Secretary for such grants; or

''(C) elect to assume operation of Bureau funded schools with the assistance provided under this part and submit applications (which are approved by their tribal governing bodies) to the Secretary for such grants.

''(2) DEPOSIT OF FUNDS.—Funds made available through a grant provided under this part shall be deposited into the general operating fund of the tribally controlled school with respect to which the grant is made.

''(3) USE OF FUNDS.—

''(A) EDUCATION RELATED ACTIVITIES.—Except as otherwise provided in this paragraph, funds made available through a grant provided under this part shall be used to defray,

at the discretion of the school board of the tribally controlled school with respect to which the grant is provided, any expenditures for education related activities for which the grant may be used under the laws described in section 5205(a), or any similar activities, including expenditures for—

''(i) school operations, and academic, educational, residential, guidance and counseling, and administrative purposes; and

''(ii) support services for the school, including transportation.

''(B) OPERATIONS AND MAINTENANCE EXPENDITURES.—Funds made available through a grant provided under this part may, at the discretion of the school board of the tribally controlled school with respect to which such grant is provided, be used to defray operations and maintenance expenditures for the school if any funds for the operation and maintenance of the school are allocated to the school under the provisions of any of the laws described in section 5205(a).

''(4) WAIVER OF FEDERAL TORT CLAIMS ACT.—Notwithstanding section 314 of the Department of Interior and Related Agencies Appropriations Act, 1991 (Public Law 101-512), the Federal Tort Claims Act shall not apply to a program operated by a tribally controlled school if the program is not funded by the Federal agency. Nothing in the preceding sentence shall be construed to apply to—

''(A) the employees of the school involved; and

''(B) any entity that enters into a contract with a grantee under this section.

''(b) LIMITATIONS.—

''(1) 1 GRANT PER TRIBE OR ORGANIZATION PER FISCAL YEAR.—Not more than 1 grant may be provided under this part with respect to any Indian tribe or tribal organization for any fiscal year.

''(2) NONSECTARIAN USE.—Funds made available through any grant provided under this part may not be used in connection with religious worship or sectarian instruction.

''(3) ADMINISTRATIVE COSTS LIMITATION.—Funds made available through any grant provided under this part may not be expended for administrative cost (as defined in section 1127(a) of the Education Amendments of 1978) in excess of the amount generated for such cost under the formula established in section 1127 of such Act.

''(c) LIMITATION ON TRANSFER OF FUNDS AMONG SCHOOL SITES.—

''(1) IN GENERAL.—In the case of a recipient of a grant under this part that operates schools at more than 1 school site, the grant recipient may expend not more than the lesser of—

''(A) 10 percent of the funds allocated for such school site, under section 1126 of the Education Amendments of 1978; or

''(B) $400,000 of such funds;

at any other school site.

''(2) DEFINITION OF SCHOOL SITE.—In this subsection, the term 'school site' means the physical location and the facilities of an elementary or secondary educational or residential program operated by, or under contract or grant with, the Bureau for which a discrete student count is identified under the funding formula established under section 1126 of the Education Amendments of 1978.

''(d) NO REQUIREMENT TO ACCEPT GRANTS.—Nothing in this part may be construed—

''(1) to require a tribe or tribal organization to apply for or accept; or

''(2) to allow any person to coerce any tribe or tribal organization to apply for, or accept, a grant under this part to plan, conduct, and administer all of, or any portion of, any Bureau program. The submission of such applications and the timing of such applications shall be strictly voluntary. Nothing in this part may be construed as allowing or requiring the grant recipient to make any grant under this part to any other entity.

''(e) NO EFFECT ON FEDERAL RESPONSIBILITY.—Grants provided under this part shall not terminate, modify, suspend, or reduce the responsibility of the Federal Government to provide an educational program.

''(f) RETROCESSION.—

''(1) IN GENERAL.—Whenever a tribal governing body requests retrocession of any program for which assistance is provided under this part, such retrocession shall become effective on a date specified by the Secretary that is not later than 120 days after the date on which the tribal governing body requests the retrocession. A later date may be specified if mutually agreed upon by the Secretary and the tribal governing body. If such a program is retroceded, the Secretary shall provide to any Indian tribe served by such program at least the same quantity and quality of services that would have been provided under such program at the level of funding provided under this part prior to the retrocession.

''(2) STATUS AFTER RETROCESSION.—The tribe requesting retrocession shall specify whether the retrocession relates to status as a Bureau operated school or as a school operated under a contract under the Indian Self-Determination Act.

''(g) TRANSFER OF EQUIPMENT AND MATERIALS.—Except as otherwise determined by the Secretary, the tribe or tribal organization operating the program to be retroceded shall transfer to the Secretary (or to the tribe or tribal organization that will operate the program as a contract school) the existing property and equipment that were acquired—

''(1) with assistance under this part; or

''(2) upon assumption of operation of the program under this part if the school was a Bureau funded school before receiving assistance under this part.

''(h) PROHIBITION OF TERMINATION FOR ADMINISTRATIVE CONVENIENCE.—Grants provided under this part may not be terminated, modified, suspended, or reduced solely for the convenience of the administering agency.

''SEC. 5205. COMPOSITION OF GRANTS.

''(a) IN GENERAL.—The funds made available through a grant provided under this part to an Indian tribe or tribal organization for any fiscal year shall consist of—

''(1) the total amount of funds allocated for such fiscal year under sections 1126 and 1127 of the Education Amendments of 1978 with respect to the tribally controlled school eligible for assistance under this part that is operated by such Indian tribe or tribal organization, including funds provided under such sections, or under any other provision of law, for transportation costs for such school;

''(2) to the extent requested by such Indian tribe or tribal organization, the total amount of funds provided from operations and maintenance accounts and, notwithstanding section 105 of the Indian Self-Determination and Education Assistance Act or any other provision of law, other facilities accounts for such school for such fiscal year (including accounts for facilities referred to in section 1125(e) of the Education Amendments of 1978 or any other law); and

''(3) the total amount of funds that are allocated to such school for such fiscal year under—

''(A) title I of the Elementary and Secondary Education Act of 1965;

''(B) the Individuals with Disabilities Education Act; and

''(C) any other Federal education law.

''(b) SPECIAL RULES.—

''(1) IN GENERAL.—

''(A) APPLICABLE PROVISIONS.—Funds allocated to a tribally controlled school by reason of paragraph (1) or (2) of subsection (a) shall be subject to the provisions of this part and shall not be subject to any additional restriction, priority, or limitation that is imposed by the Bureau with respect to funds provided under—

''(i) title I of the Elementary and Secondary Education Act of 1965;

''(ii) the Individuals with Disabilities Education Act; or

''(iii) any Federal education law other than title XI of the Education Amendments of 1978.

''(B) OTHER BUREAU REQUIREMENTS.—Indian tribes and tribal organizations to which grants are provided under this part, and tribally controlled schools for which such grants are provided, shall not be subject to any requirements, obligations, restrictions, or limitations imposed by the Bureau that would otherwise apply solely by reason of the receipt of funds provided under any law referred to in clause (i), (ii) or (iii) of subparagraph (A).

''(2) SCHOOLS CONSIDERED CONTRACT SCHOOLS.—Tribally controlled schools for which grants are provided under this part shall be treated as contract schools for the purposes of allocation of funds under sections 1125(e), 1126, and 1127 of the Education Amendments of 1978.

''(3) SCHOOLS CONSIDERED BUREAU SCHOOLS.—Tribally controlled schools for which grants are provided under this part shall be treated as Bureau schools for the purposes of allocation of funds provided under—

''(A) title I of the Elementary and Secondary Education Act of 1965;

''(B) the Individuals with Disabilities Education Act; and

''(C) any other Federal education law, that are distributed through the Bureau.

''(4) ACCOUNTS; USE OF CERTAIN FUNDS.—

''(A) SEPARATE ACCOUNT.—Notwithstanding section 5204(a)(2), with respect to funds from facilities improvement and repair, alteration and renovation (major or minor), health and safety, or new construction accounts included in the grant provided under section 5204(a), the grant recipient shall maintain a separate account for such funds. At the end of the period designated for the work covered by the funds received, the grant recipient shall submit to the Secretary a separate accounting of the work done and the funds expended. Funds received from those accounts may only be used for the purpose for which the funds were appropriated and for the work encompassed by the application or submission for which the funds were received.

''(B) REQUIREMENTS FOR PROJECTS.—

''(i) REGULATORY REQUIREMENTS.—With respect to a grant to a tribally controlled school under this part for new construction or facilities improvements and repair in excess of $100,000, such grant shall be subject to the Administrative and Audit Requirements and Cost Principles for Assistance Programs contained in part 12 of title 43, Code of Federal Regulations.

''(ii) EXCEPTION.—Notwithstanding clause (i), grants described in such clause shall not be subject to section 12.61 of title 43, Code of Federal Regulations. The Secretary and the

grantee shall negotiate and determine a schedule of payments for the work to be performed.

''(iii) APPLICATIONS.—In considering applications for a grant described in clause (i), the Secretary shall consider whether the Indian tribe or tribal organization involved would be deficient in assuring that the construction projects under the proposed grant conform to applicable building standards and codes and Federal, tribal, or State health and safety standards as required under section 1124 of the Education Amendments of 1978 (25 U.S.C. 2005(a)) with respect to organizational and financial management capabilities.

''(iv) DISPUTES.—Any disputes between the Secretary and any grantee concerning a grant described in clause (i) shall be subject to the dispute provisions contained in section 5209(e).

''(C) NEW CONSTRUCTION.—Notwithstanding subparagraph (A), a school receiving a grant under this part for facilities improvement and repair may use such grant funds for new construction if the tribal governing body or tribal organization that submits the application for the grant provides funding for the new construction equal to at least 25 percent of the total cost of such new construction.

''(D) PERIOD.—Where the appropriations measure under which the funds described in subparagraph (A) are made available or the application submitted for the funds does not stipulate a period for the work covered by the funds, the Secretary and the grant recipient shall consult and determine such a period prior to the transfer of the funds. A period so determined may be extended upon mutual agreement of the Secretary and the grant recipient.

''(5) ENFORCEMENT OF REQUEST TO INCLUDE FUNDS.—

''(A) IN GENERAL.—If the Secretary fails to carry out a request filed by an Indian tribe or tribal organization to include in such tribe or organization's grant under this part the funds described in subsection (a)(2) within 180 days after the filing of the request, the Secretary shall—

''(i) be deemed to have approved such request; and

''(ii) immediately upon the expiration of such 180-day period amend the grant accordingly.

''(B) RIGHTS.—A tribe or organization described in subparagraph (A) may enforce its rights under subsection (a)(2) and this paragraph, including rights relating to any denial or failure to act on such tribe's or organization's request, pursuant to the dispute authority described in section 5209(e).

"SEC. 5206. ELIGIBILITY FOR GRANTS.

''(a) RULES.—

''(1) IN GENERAL.—A tribally controlled school is eligible for assistance under this part if the school—

''(A) on April 28, 1988, was a contract school under title XI of the Education Amendments of 1978 and the tribe or tribal organization operating the school submits to the Secretary a written notice of election to receive a grant under this part;

''(B) was a Bureau operated school under title XI of the Education Amendments of 1978 and has met the requirements of subsection (b);

''(C) is not a Bureau funded school, but has met the requirements of subsection (c); or

''(D) is a school with respect to which an election has been made under paragraph (2) and that has met the requirements of subsection (b).

''(2) NEW SCHOOLS.—Notwithstanding paragraph (1), for purposes of determining eligibility for assistance under this part, any application that has been submitted under the Indian Self-Determination and Education Assistance Act by an Indian tribe or tribal organization for a school that is not in operation on the date of enactment of the Native American Education Improvement Act of 2001 shall be reviewed under the guidelines and regulations for applications submitted under the Indian Self-Determination and Education Assistance Act that were in effect at the time the application was submitted, unless the Indian tribe or tribal organization elects to have the application reviewed under the provisions of subsection (b).

''(b) ADDITIONAL REQUIREMENTS FOR BUREAU FUNDED SCHOOLS AND CERTAIN ELECTING SCHOOLS.—

''(1) BUREAU FUNDED SCHOOLS.—A school that was a Bureau funded school under title XI of the Education Amendments of 1978 on the date of enactment of the Native American Education Improvement Act of 2001, and any school with respect to which an election is made under subsection (a)(2), meets the requirements of this subsection if—

''(A) the Indian tribe or tribal organization that operates, or desires to operate, the school submits to the Secretary an application requesting that the Secretary—

''(i) transfer operation of the school to the Indian tribe or tribal organization, if the Indian tribe or tribal organization is not already operating the school; and

''(ii) make a determination as to whether the school is eligible for assistance under this part; and

''(B) the Secretary makes a determination that the school is eligible for assistance under this part.

''(2) CERTAIN ELECTING SCHOOLS.—

''(A) DETERMINATION.—By not later than 120 days after the date on which an application is submitted to the Secretary under paragraph (1)(A), the Secretary shall determine—

''(i) in the case of a school that is not being operated by the Indian tribe or tribal organization, whether to transfer operation of the school to the Indian tribe or tribal organization; and

''(ii) whether the school is eligible for assistance under this part.

''(B) CONSIDERATION; TRANSFERS AND ELIGIBILITY.—In considering applications submitted under paragraph (1)(A), the Secretary—

''(i) shall transfer operation of the school to the Indian tribe or tribal organization, if the tribe or tribal organization is not already operating the school; and

''(ii) shall determine that the school is eligible for assistance under this part, unless the Secretary finds by clear and convincing evidence that the services to be provided by the Indian tribe or tribal organization will be deleterious to the welfare of the Indians served by the school and will not carry out the purposes of this Act.

''(C) CONSIDERATION; POSSIBLE DEFICIENCIES.—In considering applications submitted under paragraph (1)(A), the Secretary shall only consider whether the Indian tribe or tribal organization would be deficient in operating the school with respect to—

''(i) equipment;

''(ii) bookkeeping and accounting procedures;

''(iii) ability to adequately manage a school; or

''(iv) adequately trained personnel.

''(c) ADDITIONAL REQUIREMENTS FOR A SCHOOL THAT IS NOT A BUREAU FUNDED SCHOOL.—

''(1) IN GENERAL.—A school that is not a Bureau funded school under title XI of the Education Amendments of 1978 meets the requirements of this subsection if—

''(A) the Indian tribe or tribal organization that operates, or desires to operate, the school submits to the Secretary an application requesting a determination by the Secretary as to whether the school is eligible for assistance under this part; and

''(B) the Secretary makes a determination that the school is eligible for assistance under this part.

''(2) DEADLINE FOR DETERMINATION BY SECRETARY.—

''(A) DETERMINATION.—By not later than 180 days after the date on which an application is submitted to the Secretary under paragraph (1)(A), the Secretary shall determine whether the school is eligible for assistance under this part.

''(B) FACTORS.—In making the determination under subparagraph (A), the Secretary shall give equal consideration to each of the following factors:

''(i) With respect to the applicant's proposal—

''(I) the adequacy of facilities or the potential to obtain or provide adequate facilities;

''(II) geographic and demographic factors in the affected areas;

''(III) adequacy of the applicant's program plans;

''(IV) geographic proximity of comparable public education; and

''(V) the needs to be met by the school, as expressed by all affected parties, including but not limited to students, families, tribal governments at both the central and local levels, and school organizations.

''(ii) With respect to all education services already available—

''(I) geographic and demographic factors in the affected areas;

''(II) adequacy and comparability of programs already available;

''(III) consistency of available programs with tribal education codes or tribal legislation on education; and

''(IV) the history and success of those services for the proposed population to be served, as determined from all factors including, if relevant, standardized examination performance.

''(C) EXCEPTION REGARDING PROXIMITY.—The Secretary may not make a determination under this paragraph that is primarily based upon the geographic proximity of comparable public education.

''(D) INFORMATION ON FACTORS.—An application submitted under paragraph (1)(A) shall include information on the factors described in subparagraph (B)(i), but the applicant may also provide the Secretary such information relative to the factors described in subparagraph (B)(ii) as the applicant considers to be appropriate.

''(E) TREATMENT OF LACK OF DETERMINATION.—If the Secretary fails to make a determination under subparagraph (A) with respect to an application within 180 days after the date on which the Secretary received the application—

''(i) the Secretary shall be deemed to have made a determination that the tribally controlled school is eligible for assistance under this part; and

''(ii) the grant shall become effective 18 months after the date on which the Secretary received the application, or on an earlier date, at the Secretary's discretion.

''(d) FILING OF APPLICATIONS AND REPORTS.—

''(1) IN GENERAL.—Each application or report submitted to the Secretary under this part, and any amendment to such application or report, shall be filed with the education line officer designated by the Director of the Office of Indian Education Programs of the Bureau of Indian Affairs. The date on which the filing occurs shall, for purposes of this part, be treated as the date on which the application, report, or amendment was submitted to the Secretary.

''(2) SUPPORTING DOCUMENTATION.—

''(A) IN GENERAL.—Any application that is submitted under this part shall be accompanied by a document indicating the action taken by the appropriate tribal governing body concerning authorizing such application.

''(B) AUTHORIZATION ACTION.—The Secretary shall administer the requirement of subparagraph (A) in a manner so as to ensure that the tribe involved, through the official action of the tribal governing body, has approved of the application for the grant.

''(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as making a tribal governing body (or tribe) that takes an action described in subparagraph (A) a party to the grant (unless the tribal governing body or the tribe is the grantee) or as making the tribal governing body or tribe financially or programmatically responsible for the actions of the grantee.

''(3) RULES OF CONSTRUCTION.—Nothing in this subsection shall be construed as making a tribe act as a surety for the performance of a grantee under a grant under this part.

''(4) CLARIFICATION.—The provisions of paragraphs (2) and (3) shall be construed as a clarification of policy in existence on the date of enactment of the Native American Education Improvement Act of 2001 with respect to grants under this part and shall not be construed as altering such policy or as a new policy.

''(e) EFFECTIVE DATE FOR APPROVED APPLICATIONS.—Except as provided in subsection (c)(2)(E), a grant provided under this part shall be made, and any transfer of the operation of a Bureau school made under subsection (b) shall become effective, beginning on the first day of the academic year succeeding the fiscal year in which the application for the grant or transfer is made, or on an earlier date determined by the Secretary.

''(f) DENIAL OF APPLICATIONS.—

''(1) IN GENERAL.—If the Secretary disapproves a grant under this part, disapproves the transfer of operations of a Bureau school under subsection (b), or determines that a school is not eligible for assistance under this part, the Secretary shall—

''(A) state the objections in writing to the tribe or tribal organization involved within the allotted time;

''(B) provide assistance to the tribe or tribal organization to cure all stated objections;

''(C) at the request of the tribe or tribal organization, provide to the tribe or tribal organization a hearing on the record regarding the refusal or determination involved, under the same rules and regulations as apply under the Indian Self-Determination and Education Assistance Act; and

''(D) provide to the tribe or tribal organization an opportunity to appeal the decision resulting from the hearing.

''(2) TIMELINE FOR RECONSIDERATION OF AMENDED APPLICATIONS.—The Secretary shall reconsider any amended application submitted under this part within 60 days after the amended application is submitted to the Secretary and shall submit the determinations of the Secretary with respect to such reconsideration to the tribe or the tribal organization.

''(g) REPORT.—The Bureau shall prepare and submit to Congress an annual report on all applications received, and actions taken (including the costs associated with such actions), under this section on the same date as the date on which the President is required to submit to Congress a budget of the United States Government under section 1105 of title 31, United States Code.

''SEC. 5207. DURATION OF ELIGIBILITY DETERMINATION.

''(a) IN GENERAL.—If the Secretary determines that a tribally controlled school is eligible for assistance under this part, the eligibility determination shall remain in effect until the determination is revoked by the Secretary, and the requirements of subsection (b) or (c) of section 5206, if applicable, shall be considered to have been met with respect to such school until the eligibility determination is revoked by the Secretary.

''(b) ANNUAL REPORTS.—

''(1) IN GENERAL.—Each recipient of a grant provided under this part for a school shall prepare an annual report concerning the school involved, the contents of which shall be limited to—

''(A) an annual financial statement reporting revenue and expenditures as defined by the cost accounting standards established by the grant recipient;

''(B) an annual financial audit conducted pursuant to the standards of chapter 71 of title 31, United States Code;

''(C) a biennial compliance audit of the procurement of personal property during the period for which the report is being prepared that shall be in compliance with written procurement standards that are developed by the local school board;

''(D) an annual submission to the Secretary containing information on the number of students served and a brief description of programs offered through the grant; and

''(E) a program evaluation conducted by an impartial evaluation review team, to be based on the standards established for purposes of subsection (c)(1)(A)(ii).

''(2) EVALUATION REVIEW TEAMS.—In appropriate cases, representatives of other tribally controlled schools and representatives of tribally controlled community colleges shall be members of the evaluation review teams.

''(3) EVALUATIONS.—In the case of a school that is accredited, the evaluations required under this subsection shall be conducted at intervals under the terms of the accreditation.

''(4) SUBMISSION OF REPORT.—

''(A) TO TRIBAL GOVERNING BODY.—Upon completion of the annual report required under paragraph (1), the recipient of the grant shall send (via first class mail, return receipt requested) a copy of such annual report to the tribal governing body.

''(B) TO SECRETARY.—Not later than 30 days after receiving written confirmation that the tribal governing body has received the report sent pursuant to subparagraph (A), the recipient of the grant shall send a copy of the report to the Secretary.

''(c) REVOCATION OF ELIGIBILITY.—

''(1) IN GENERAL.—The Secretary may not revoke a determination that a school is eligible for assistance under this part if—

''(A) the Indian tribe or tribal organization submits the reports required under subsection (b) with respect to the school; and

''(B) at least 1 of the following conditions applies with respect to the school:

''(i) The school is certified or accredited by a State certification or regional accrediting association or is a candidate in good standing for such certification or accreditation under the rules of the State certification or regional accrediting association, showing that credits achieved by the students within the education programs of the school are, or will be, accepted at grade level by a State certified or regionally accredited institution.

''(ii) The Secretary determines that there is a reasonable expectation that the certification or accreditation described in clause (i), or candidacy in good standing for such certification or accreditation, will be achieved by the school within 3 years. The school seeking accreditation shall remain under the standards of the Bureau in effect on the date of enactment of the Native American Education Improvement Act of 2001 until such time as the school is accredited, except that if the Bureau standards are in conflict with the standards of the accrediting agency, the standards of such agency shall apply in such case.

''(iii) The school is accredited by a tribal department of education if such accreditation is accepted by a generally recognized State certification or regional accrediting agency.

''(iv)(I) With respect to a school that lacks accreditation, or that is not a candidate for accreditation, based on circumstances that are not beyond the control of the school board, every 3 years an impartial evaluator agreed upon by the Secretary and the grant recipient conducts evaluations of the school, and the school receives a positive assessment under such evaluations. The evaluations are conducted under standards adopted by a contractor under a contract for the school entered into under the Indian Self-Determination and Education Assistance Act (or revisions of such standards agreed to by the Secretary and the grant recipient) prior to the date of enactment of the Native American Education Improvement Act of 2001.

''(II) If the Secretary and a grant recipient other than a tribal governing body fail to agree on such an evaluator, the tribal governing body shall choose the evaluator or perform the evaluation. If the Secretary and a grant recipient that is a tribal governing body fail to agree on such an evaluator, subclause (I) shall not apply.

''(III) A positive assessment by an impartial evaluator under this clause shall not affect the revocation of a determination of eligibility by the Secretary where such revocation is based on circumstances that were within the control of the school board.

''(2) NOTICE REQUIREMENTS FOR REVOCATION.—The Secretary may not revoke a determination that a school is eligible for assistance under this part, or reassume control of a school that was a Bureau school prior to approval of an application submitted under section 5206(b)(1)(A), until the Secretary—

''(A) provides notice, to the tribally controlled school involved and the appropriate tribal governing body (within the meaning of section 1139 of the Education Amendments of 1978) for the tribally controlled school, which notice identifies—

''(i) the specific deficiencies that led to the revocation or reassumption determination; and

''(ii) the specific actions that are needed to remedy such deficiencies; and

''(B) affords such school and governing body an opportunity to implement the remedial actions.

''(3) TECHNICAL ASSISTANCE.—The Secretary shall provide such technical assistance to enable the school and governing body to carry out such remedial actions.

''(4) HEARING AND APPEAL.—In addition to notice and technical assistance under this subsection, the Secretary shall provide to the school and governing body—

''(A) at the request of the school or governing body, a hearing on the record regarding the revocation or reassumption determination, to be conducted under the rules and regulations described in section 5206(f)(1)(C); and

''(B) an opportunity to appeal the decision resulting from the hearing.

''(d) APPLICABILITY OF SECTION PURSUANT TO ELECTION UNDER SECTION 5209(b).—With respect to a tribally controlled school that receives assistance under this part pursuant to an election made under section 5209(b)—

''(1) subsection (b) shall apply; and

''(2) the Secretary may not revoke eligibility for assistance under this part except in conformance with subsection (c).

''SEC. 5208. PAYMENT OF GRANTS; INVESTMENT OF FUNDS; STATE PAYMENTS TO SCHOOLS.

''(a) PAYMENTS.—

''(1) MANNER OF PAYMENTS.—

''(A) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make payments to grant recipients under this part in 2 payments, of which—

''(i) the first payment shall be made not later than July 1 of each year in an amount equal to 80 percent of the amount that the grant recipient was entitled to receive during the preceding academic year; and

''(ii) the second payment, consisting of the remainder to which the grant recipient was entitled for the academic year, shall be made not later than December 1 of each year.

''(B) EXCESS FUNDING.—In a case in which the amount provided to a grant recipient under subparagraph (A)(i) is in excess of the amount that the recipient is entitled to receive for the academic year involved, the recipient shall return to the Secretary such excess amount not later than 30 days after the final determination that the school was overpaid pursuant to this section. The amount returned to the Secretary under this subparagraph shall be distributed equally to all schools in the system.

''(2) NEWLY FUNDED SCHOOLS.—For any school for which no payment under this part was made from Bureau funds in the academic year preceding the year for which the payments are being made, full payment of the amount computed for the school for the first academic year of eligibility under this part shall be made not later than December 1 of the academic year.

''(3) LATE FUNDING.—With regard to funds for grant recipients under this part that become available for obligation on October 1 of the fiscal year for which such funds are appropriated, the Secretary shall make payments to the grant recipients not later than December 1 of the fiscal year.

''(4) APPLICABILITY OF CERTAIN TITLE 31 PROVISIONS.—The provisions of chapter 39 of title 31, United States Code, shall apply to the payments required to be made under paragraphs (1), (2), and (3).

''(5) RESTRICTIONS.—Payments made under paragraphs (1), (2), and (3) shall be subject to any restriction on amounts of payments under this part that is imposed by a continuing resolution or other Act appropriating the funds involved.

''(b) INVESTMENT OF FUNDS.—

''(1) TREATMENT OF INTEREST AND INVESTMENT INCOME.—Notwithstanding any other provision of law, any interest or investment income that accrues on or is derived from any funds provided under this part for a school after such funds are paid to an Indian tribe or tribal organization and before such funds are expended for the purpose for which such funds were provided under this part shall be the property of the Indian tribe or tribal organization. The interest or income shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance to be provided, under any provision of Federal law.

''(2) PERMISSIBLE INVESTMENTS.—Funds provided under this part may be invested by an Indian tribe or tribal organization, as approved by the grantee, before such funds are expended for the objectives of this part if such funds are—

''(A) invested by the Indian tribe or tribal organization only—

''(i) in obligations of the United States;

''(ii) in obligations or securities that are guaranteed or insured by the United States; or

''(iii) in mutual (or other) funds that are registered with the Securities and Exchange Commission and that only invest in obligations of the United States, or securities that are guaranteed or insured by the United States; or

''(B) deposited only into accounts that are insured by an agency or instrumentality of the United States, or are fully supported by collateral to ensure protection of the funds, even in the event of a bank failure.

''(c) RECOVERIES.—Funds received under this part shall not be taken into consideration by any Federal agency for the purposes of making underrecovery and overrecovery determinations for any other funds, from whatever source derived.

''(d) PAYMENTS BY STATES.—

''(1) IN GENERAL.—With respect to a school that receives assistance under this part, a State shall not—

''(A) take into account the amount of such assistance in determining the amount of funds that such school is eligible to receive under applicable State law; or

''(B) reduce any State payments that such school is eligible to receive under applicable State law because of the assistance received by the school under this part.

''(2) VIOLATIONS.—

''(A) IN GENERAL.—Upon receipt of any information from any source that a State is in violation of paragraph (1), the Secretary shall immediately, but in no case later than 90 days after the receipt of such information, conduct an investigation and make a determination of whether such violation has occurred.

''(B) DETERMINATION.—If the Secretary makes a determination under subparagraph (A) that a State has violated paragraph (1), the Secretary shall inform the Secretary of Education of such determination and the basis for the determination. The Secretary of Education shall, in an expedient manner, pursue penalties under paragraph (3) with respect to the State.

''(3) PENALTIES.—A State determined to have violated paragraph (1) shall be subject to penalties similar to the penalties described in section 8809(e) of the Elementary and Secondary Education Act of 1965 for a violation of title VIII of such Act.

''SEC. 5209. APPLICATION WITH RESPECT TO INDIAN SELF-DETERMINATION AND EDUCATION ASSISTANCE ACT.

''(a) CERTAIN PROVISIONS TO APPLY TO GRANTS.—The following provisions of the Indian Self-Determination and Education Assistance Act (and any subsequent revisions thereto or renumbering thereof), shall apply to grants provided under this part and the schools funded under such grants:

''(1) Section 5(f) (relating to single agency audits).

''(2) Section 6 (relating to criminal activities; penalties).

''(3) Section 7 (relating to wage and labor standards).

''(4) Section 104 (relating to retention of Federal employee coverage).

''(5) Section 105(f) (relating to Federal property).

''(6) Section 105(k) (relating to access to Federal sources of supply).

''(7) Section 105(l) (relating to lease of facility used for administration and delivery of services).

''(8) Section 106(f) (relating to limitation on remedies relating to cost disallowances).

''(9) Section 106(j) (relating to use of funds for matching or cost participation requirements).

''(10) Section 106(k) (relating to allowable uses of funds).

''(11) The portions of section 108(c) that consist of model agreements provisions 1(b)(5) (relating to limitations of costs), 1(b)(7) (relating to records and monitoring), 1(b)(8) (relating to property), and 1(b)(9) (relating to availability of funds).

''(12) Section 109 (relating to reassumption).

''(13) Section 111 (relating to sovereign immunity and trusteeship rights unaffected).

''(b) ELECTION FOR GRANT IN LIEU OF CONTRACT.—

''(1) IN GENERAL.—A contractor that carries out an activity to which this part applies and who has entered into a contract under the Indian Self-Determination and Education Assistance Act that is in effect on the date of enactment of the Native American Education Improvement Act of 2001 may, by giving notice to the Secretary, elect to receive a grant under this part in lieu of such contract and to have the provisions of this part apply to such activity.

''(2) EFFECTIVE DATE OF ELECTION.—Any election made under paragraph (1) shall take effect on the first day of July immediately following the date of such election.

''(3) EXCEPTION.—In any case in which the first day of July immediately following the date of an election under paragraph (1) is less than 60 days after such election, such election shall not take effect until the first day of July of year following the year in which the election is made.

''(c) NO DUPLICATION.—No funds may be provided under any contract entered into under the Indian Self-Determination and Education Assistance Act to pay any expenses incurred in providing any program or services if a grant has been made under this part to pay such expenses.

''(d) TRANSFERS AND CARRYOVERS.—

''(1) BUILDINGS, EQUIPMENT, SUPPLIES, MATERIALS.—A tribe or tribal organization assuming the operation of—

''(A) a Bureau school with assistance under this part shall be entitled to the transfer or use of buildings, equipment, supplies, and materials to the same extent as if the tribe or tribal organization were contracting under the Indian Self-Determination and Education Assistance Act; or

''(B) a contract school with assistance under this part shall be entitled to the transfer or use of buildings, equipment, supplies,

and materials that were used in the operation of the contract school to the same extent as if the tribe or tribal organization were contracting under such Act.

''(2) FUNDS.—Any tribe or tribal organization that assumes operation of a Bureau school with assistance under this part and any tribe or tribal organization that elects to operate a school with assistance under this part rather than to continue to operate the school as a contract school shall be entitled to any funds that would remain available from the previous fiscal year if such school remained a Bureau school or was operated as a contract school, respectively.

''(3) FUNDING FOR SCHOOL IMPROVEMENT.—Any tribe or tribal organization that assumes operation of a Bureau school or a contract school with assistance under this part shall be eligible for funding for the improvement, alteration, replacement, and repair of facilities to the same extent as a Bureau school.

''(e) EXCEPTIONS, PROBLEMS, AND DISPUTES.—

''(1) IN GENERAL.—Any exception or problem cited in an audit conducted pursuant to section 5207(b)(1)(B), any dispute regarding a grant authorized to be made pursuant to this part or any modification of such grant, and any dispute involving an administrative cost grant under section 1127 of the Education Amendments of 1978, shall be administered under the provisions governing such exceptions, problems, or disputes described in this paragraph in the case of contracts under the Indian Self-Determination and Education Assistance Act.

''(2) ADMINISTRATIVE APPEALS.—The Equal Access to Justice Act (as amended) and the amendments made by such Act, including section 504 of title 5, and section 2412 of title 28, United States Code, shall apply to an administrative appeal filed after September 8, 1988, by a grant recipient regarding a grant provided under this part, including an administrative cost grant.

''SEC. 5210. ROLE OF THE DIRECTOR.

''Applications for grants under this part, and all modifications to the applications, shall be reviewed and approved by personnel under the direction and control of the Director of the Office of Indian Education Programs. Reports required under this part shall be submitted to education personnel under the direction and control of the Director of such Office.

''SEC. 5211. REGULATIONS.

''The Secretary is authorized to issue regulations relating to the discharge of duties specifically assigned to the Secretary in this part. For all other matters relating to the details of planning, developing, implementing, and evaluating grants under this part, the Secretary shall not issue regulations.

''SEC. 5212. THE TRIBALLY CONTROLLED GRANT SCHOOL ENDOWMENT PROGRAM.

''(a) IN GENERAL.—

''(1) ESTABLISHMENT.—Each school receiving a grant under this part may establish, at a federally insured financial institution, a trust fund for the purposes of this section.

''(2) DEPOSITS AND USE.—The school may provide—

''(A) for deposit into the trust fund, only funds from non-Federal sources, except that the interest on funds received from grants provided under this part may be used for that purpose;

''(B) for deposit into the trust fund, any earnings on funds deposited in the fund; and

''(C) for the sole use of the school any noncash, in-kind contributions of real or personal property, which may at any time be used, sold, or otherwise disposed of.

''(b) INTEREST.—Interest from the fund established under subsection (a) may periodically be withdrawn and used, at the discretion of the school, to defray any expenses associated with the operation of the school consistent with the purposes of this Act.

''SEC. 5213. DEFINITIONS.

''In this part:

''(1) BUREAU.—The term 'Bureau' means the Bureau of Indian Affairs of the Department of the Interior.

''(2) ELIGIBLE INDIAN STUDENT.—The term 'eligible Indian student' has the meaning given such term in section 1126(f) of the Education Amendments of 1978.

''(3) INDIAN.—The term 'Indian' means a member of an Indian tribe, and includes individuals who are eligible for membership in a tribe, and the child or grandchild of such an individual.

''(4) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community, including an Alaska Native Village Corporation or Regional Corporation (as defined in or established pursuant to the Alaskan Native Claims Settlement Act), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

''(5) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary schools or secondary schools in a city, county, township, school district, or other political subdivision of a State or such combination of school districts or counties as are recognized in a State as an administrative agency for the State's public elementary schools or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary school or secondary school.

''(6) SECRETARY.—The term 'Secretary' means the Secretary of the Interior.

''(7) TRIBAL GOVERNING BODY.—The term 'tribal governing body' means, with respect to any school that receives assistance under this Act, the recognized governing body of the Indian tribe involved.

''(8) TRIBAL ORGANIZATION.—

''(A) IN GENERAL.—The term 'tribal organization' means—

''(i) the recognized governing body of any Indian tribe; or

''(ii) any legally established organization of Indians that—

''(I) is controlled, sanctioned, or chartered by such governing body or is democratically elected by the adult members of the Indian community to be served by such organization; and

''(II) includes the maximum participation of Indians in all phases of the organization's activities.

''(B) AUTHORIZATION.—In any case in which a grant is provided under this part to an organization to provide services through a tribally controlled school benefiting more than 1 Indian tribe, the approval of the governing bodies of Indian tribes representing 80 percent of the students attending the tribally controlled school shall be considered a sufficient tribal authorization for such grant.

''(9) TRIBALLY CONTROLLED SCHOOL.—The term 'tribally controlled school' means a school that—

''(A) is operated by an Indian tribe or a tribal organization, enrolling students in kindergarten through grade 12, including a preschool;

''(B) is not a local educational agency; and

''(C) is not directly administered by the Bureau of Indian Affairs.''.

SEC. ___202. LEASE PAYMENTS BY THE OJIBWA INDIAN SCHOOL.

(a) IN GENERAL.—Notwithstanding the Tribally Controlled Schools Act of 1988 (25 U.S.C. 2501 et seq.), or the regulations promulgated under such Act, the Ojibwa Indian School located in Belcourt, North Dakota, may use amounts received under such Act to enter into, and make payments under, a lease described in subsection (b).

(b) LEASE.—A lease described in this subsection is a lease that—

(1) is entered into by the Ojibwa Indian School for the use of facilities owned by St. Ann's Catholic Church located in Belcourt, North Dakota;

(2) is entered into in the 2001-2002 school year, or any other school year in which the Ojibwa Indian School will use such facilities for school purposes;

(3) requires lease payments in an amount determined appropriate by an independent lease appraiser that is selected by the parties to the lease, except that such amount may not exceed the maximum amount per square foot that is being paid by the Bureau of Indian Affairs for other similarly situated Indian schools under the Indian Self-Determination and Education Assistance Act (Public Law 93-638); and

(4) contains a waiver of the right of St. Ann's Catholic Church to bring an action against the Ojibwa Indian School, the Turtle Mountain Band of Chippewa, or the Federal Government for the recovery of any amounts remaining unpaid under leases entered into prior to the date of enactment of this Act.

(c) METHOD OF FUNDING.—Amounts shall be made available by the Bureau of Indian Affairs to make lease payments under this section in the same manner as amounts are made available to make payments under leases entered into by Indian schools under the Indian Self-Determination and Education Assistance Act (Public Law 93-638).

(d) OPERATION AND MAINTENANCE FUNDING.—The Bureau of Indian Affairs shall provide funding for the operation and maintenance of the facilities and property used by the Ojibwa Indian School under the lease entered into under subsection (a) so long as such facilities and property are being used by the School for educational purposes.

SEC. ___203. ENROLLMENT AND GENERAL ASSISTANCE PAYMENTS.

Section 5404(a) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments Act of 1988 (25 U.S.C. 13d-2(a)) is amended—

(1) by striking the matter preceding paragraph (1) and inserting the following:

''(a) IN GENERAL.—The Secretary of the Interior shall not disqualify from continued receipt of general assistance payments from the Bureau of Indian Affairs an otherwise eligible Indian for whom the Bureau is making or may make general assistance payments (or exclude such an individual from continued consideration in determining the amount of general assistance payments for a household) because the individual is enrolled (and is making satisfactory progress toward completion of a program or training that can reasonably be expected to lead to gainful employment) for at least half-time study or training in—''; and

(2) by striking paragraph (4), and inserting the following:

''(4) other programs or training approved by the Secretary or by tribal education, employment or training programs.''.

SA 506. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 319, between lines 19 and 20, insert the following:

''(12) Funding projects and carrying out programs to encourage men to become elementary school teachers.''

SA 507. Ms. COLLINS (for herself and Ms. SNOWE) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 350, between lines 4 and 5, insert the following:

''(9) Training teachers and developing programs to encourage girls and young women to pursue postsecondary degrees and careers in mathematics and science, including engineering and technology.

''(10) Training teachers to ensure that the teachers meet the educational needs of historically underserved students, including girls and young women, especially with respect to mathematics and science.''

SA 508. Ms. COLLINS (for herself and Mr. CONRAD) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 648, line 18, strike ''or 4116'' and insert ''4116, or 5331(b)''.

On page 650, line 25, strike ''or 4116'' and insert ''4116, or 5331(b)''.

SA 509. Ms. COLLINS (for herself and Mr. CONRAD) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 778, strike lines 4 through 10 and insert the following:

''SEC. 6202A. STUDY OF ASSESSMENT COSTS.

''(a) STUDY.—

''(1) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the costs of conducting student assessments under section 1111.

''(2) CONTENTS.—In conducting the study, the Comptroller General of the United States shall—

''(A) draw on and use the best available data, including cost data from each State that has developed or administered statewide student assessments under section 1111 and cost data from companies that develop student assessments described in such section;

''(B) determine the aggregate cost for all States to develop the student assessments required under section 1111, and the portion of that cost that is expected to be incurred in each of fiscal years 2002 through 2008;

''(C) determine the aggregate cost for all States to administer the student assessments required under section 1111 and the portion of that cost that is expected to be incurred in each of fiscal years 2002 through 2008; and

''(D) determine the costs and portions described in subparagraphs (B) and (C) for each State.

''(b) REPORT.—

''(1) IN GENERAL.—The Comptroller General of the United States shall, not later than January 31, 2002, submit a report containing the results of the study described in subsection (a) to—

''(A) the Committee on Appropriations of the House of Representatives and the Subcommittee on Labor, Health and Human Services, and Education of that Committee;

''(B) the Committee on Appropriations of the Senate and the Subcommittee on Labor, Health and Human Services, and Education of that Committee;

''(C) the Committee on Education and the Workforce of the House of Representatives; and

''(D) the Committee on Health, Education, Labor, and Pensions of the Senate.

''(2) CONTENTS.—The report shall include—

''(A) a thorough description of the methodology employed in conducting the study; and

''(B) the determinations of costs and portions described in subparagraphs (B) through (D) of subsection (a)(2).

''(c) DEFINITION.—In this section, the term 'State' means 1 of the several States of the United States.

''SEC. 6203. AUTHORIZATION OF APPROPRIATIONS.

''(a) STATE ASSESSMENT GRANTS.—

''(1) IN GENERAL.—For the purpose of developing and implementing the standards and assessments required under section 1111, there are authorized to be appropriated $400,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.

''(2) SUPPLEMENTAL STATE ASSESSMENT GRANTS.—

''(A) ADDITIONAL AUTHORIZATION.—In addition to the funds authorized to be appropriated under paragraph (1), for the purpose of developing and implementing the standards and assessments required under section 1111, there is authorized to be appropriated $400,000,000 for fiscal year 2002.

''(B) APPLICATION.—No funds may be appropriated under subparagraph (A) until the Comptroller General of the United States meets the requirements of section 6202A.

SA 510. Ms. COLLINS (for herself, Mr. HATCH, Mr. COCHRAN, and Ms. LANDRIEU) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING TAX INCENTIVES SUPPORTING TEACHERS.

It is the sense of the Senate that the Senate should pass legislation during the First Session of the 107th Congress that—

(1) provides an above-the-line deduction for the expenses of teachers and teacher aides for qualified professional development that—

(A) should directly relate to the curriculum and academic subjects in which a teacher provides instruction or be designed to help a teacher understand and use State standards;

(B) should also be tied to challenging State or local content standards and student performance standards as well as to strategies and programs that demonstrate effectiveness in increasing student academic achievement and student performance, or substantially increasing the knowledge and teaching skills of an eligible teacher; and

(C) generally should be of sufficient intensity and duration to have a positive and lasting impact on the performance of an eligible teacher in the classroom and should be part of a program of professional development that has been approved and certified by the appropriate local educational agency as furthering the goals specified in subparagraphs (A) and (B); and

(2) provides a credit against income tax (limited to $100 per individual) for the qualified classroom expenses paid or incurred by an elementary or secondary school teacher, instructor, counselor, aide, or principal, including expenses for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by a teacher in the classroom.

SA 511. Ms. COLLINS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ___—TEACHER SUPPORT

SEC. ___01. ABOVE-THE-LINE DEDUCTION FOR QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELEMENTARY AND SECONDARY SCHOOL TEACHERS.

(a) DEDUCTION ALLOWED.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 222 as section 223 and by inserting after section 221 the following new section:

''SEC. 222. QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.

''(a) ALLOWANCE OF DEDUCTION.—In the case of an eligible teacher, there shall be allowed as a deduction an amount equal to the qualified professional development expenses paid or incurred by the taxpayer during the taxable year.

''(b) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES OF ELIGIBLE TEACHERS.—For purposes of this section—

''(1) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—

''(A) IN GENERAL.—The term 'qualified professional development expenses' means expenses for tuition, fees, books, supplies, equipment, and transportation required for the enrollment or attendance of an individual in a qualified course of instruction.

''(B) QUALIFIED COURSE OF INSTRUCTION.—The term 'qualified course of instruction' means a course of instruction which—

''(i) is—

''(I) directly related to the curriculum and academic subjects in which an eligible teacher provides instruction, or

''(II) designed to enhance the ability of an eligible teacher to understand and use State

standards for the academic subjects in which such teacher provides instruction,

''(ii) may—

''(I) provide instruction in how to teach children with different learning styles, particularly children with disabilities and children with special learning needs (including children who are gifted and talented), or

''(II) provide instruction in how best to discipline children in the classroom and identify early and appropriate interventions to help children described in subclause (I) to learn,

''(iii) is tied to challenging State or local content standards and student performance standards,

''(iv) is tied to strategies and programs that demonstrate effectiveness in increasing student academic achievement and student performance, or substantially increasing the knowledge and teaching skills of an eligible teacher,

''(v) is of sufficient intensity and duration to have a positive and lasting impact on the performance of an eligible teacher in the classroom (which shall not include 1-day or short-term workshops and conferences), except that this clause shall not apply to an activity if such activity is 1 component described in a long-term comprehensive professional development plan established by an eligible teacher and the teacher's supervisor based upon an assessment of the needs of the teacher, the students of the teacher, and the local educational agency involved, and

''(vi) is part of a program of professional development which is approved and certified by the appropriate local educational agency as furthering the goals of the preceding clauses.

''(C) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given such term by section 14101 of the Elementary and Secondary Education Act of 1965, as in effect on the date of the enactment of this section.

''(2) ELIGIBLE TEACHER.—

''(A) IN GENERAL.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher or aide in an elementary or secondary school for at least 720 hours during a school year.

''(B) ELEMENTARY OR SECONDARY SCHOOL.—The terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as so in effect.

''(c) DENIAL OF DOUBLE BENEFIT.—

''(1) IN GENERAL.—No other deduction or credit shall be allowed under this chapter for any amount taken into account for which a deduction is allowed under this section.

''(2) COORDINATION WITH EXCLUSIONS.—A deduction shall be allowed under subsection (a) for qualified professional development expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135, 529(c)(1), or 530(d)(2) for the taxable year.''.

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (17) the following new paragraph:

''(18) QUALIFIED PROFESSIONAL DEVELOPMENT EXPENSES.—The deduction allowed by section 222.''.

(c) CONFORMING AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the item relating to section 222 and inserting the following new items:

''Sec. 222. Qualified professional development expenses.

''Sec. 223. Cross reference.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. ____02. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to other credits) is amended by adding at the end the following new section:

''SEC. 30B. CREDIT TO ELEMENTARY AND SECONDARY SCHOOL TEACHERS WHO PROVIDE CLASSROOM MATERIALS.

''(a) ALLOWANCE OF CREDIT.—In the case of an eligible teacher, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the qualified elementary and secondary education expenses which are paid or incurred by the taxpayer during such taxable year.

''(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed $100.

''(c) DEFINITIONS.—

''(1) ELIGIBLE TEACHER.—The term 'eligible teacher' means an individual who is a kindergarten through grade 12 classroom teacher, instructor, counselor, aide, or principal in an elementary or secondary school on a full-time basis for an academic year ending during a taxable year.

''(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—The term 'qualified elementary and secondary education expenses' means expenses for books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services) and other equipment, and supplementary materials used by an eligible teacher in the classroom.

''(3) ELEMENTARY OR SECONDARY SCHOOL.—The term 'elementary or secondary school' means any school which provides elementary education or secondary education (through grade 12), as determined under State law.

''(d) SPECIAL RULES.—

''(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any expense for which credit is allowed under this section.

''(2) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

''(B) the tentative minimum tax for the taxable year.

''(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 30B. Credit to elementary and secondary school teachers who provide classroom materials.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 512. Mr. COCHRAN (for himself, Mr. WARNER, Mr. CHAFEE, Mr. GRASSLEY, Mr. ENSIGN, Mr. DOMENICI, Mr. HATCH, Mr. STEVENS, Mr. SPECTOR, Mrs. HUTCHISON, and Mr. LUGAR) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

TITLE ____ EDUCATION PROGRAMS OF NATIONAL SIGNIFICANCE

SEC. ____01. AMENDMENT TO THE ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.

The Act (20 U.S.C. 6301 et seq.) is amended by adding at the end the following:

''TITLE X—EDUCATION PROGRAMS OF NATIONAL SIGNIFICANCE

''PART A—READING IS FUNDAMENTAL—INEXPENSIVE BOOK DISTRIBUTION PROGRAM

''SEC. 10101. INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION.

''(a) AUTHORIZATION.—The Secretary is authorized to enter into a contract with Reading Is Fundamental (RIF) (hereafter in this section referred to as 'the contractor') to support and promote programs, which include the distribution of inexpensive books to students, that motivate children to read.

''(b) REQUIREMENTS OF CONTRACT.—Any contract entered into under subsection (a) shall—

''(1) provide that the contractor will enter into subcontracts with local private nonprofit groups or organizations, or with public agencies, under which each subcontractor will agree to establish, operate, and provide the non-Federal share of the cost of reading motivation programs that include the distribution of books, by gift, to the extent feasible, or loan, to children from birth through secondary school age, including those in family literacy programs;

''(2) provide that funds made available to subcontractors will be used only to pay the Federal share of the cost of such programs;

''(3) provide that in selecting subcontractors for initial funding, the contractor will give priority to programs that will serve a substantial number or percentage of children with special needs, such as—

''(A) low-income children, particularly in high-poverty areas;

''(B) children at risk of school failure;

''(C) children with disabilities;

''(D) foster children;

''(E) homeless children;

''(F) migrant children;

''(G) children without access to libraries;

''(H) institutionalized or incarcerated children; and

''(I) children whose parents are institutionalized or incarcerated;

''(4) provide that the contractor will provide such technical assistance to subcontractors as may be necessary to carry out the purpose of this section;

''(5) provide that the contractor will annually report to the Secretary the number of, and describe, programs funded under paragraph (3); and

''(6) include such other terms and conditions as the Secretary determines to be appropriate to ensure the effectiveness of such programs.

''(c) RESTRICTION ON PAYMENTS.—The Secretary shall make no payment of the Federal share of the cost of acquiring and distributing books under any contract under this

section unless the Secretary determines that the contractor or subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

''(d) DEFINITION OF FEDERAL SHARE.—For the purpose of this section, the term 'Federal share' means, with respect to the cost to a subcontractor of purchasing books to be paid under this section, 75 percent of such costs to the subcontractor, except that the Federal share for programs serving children of migrant or seasonal farmworkers shall be 100 percent of such costs to the subcontractor.

''(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $23,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

"PART B—NATIONAL WRITING PROJECT

"SEC. 10151. FINDINGS AND PURPOSES.

''(a) FINDINGS.—Congress finds that—

''(1) the United States faces a continuing crisis in writing in schools and in the workplace;

''(2) the writing problem has been magnified by the rapidly changing student population, the growing number of at-risk students due to limited English proficiency, the shortage of adequately trained teachers, and the specialized knowledge required of teachers to teach students with special needs who are now part of mainstream classrooms;

''(3) nationwide reports from universities and colleges show that entering students are unable to meet the demands of college level writing, almost all 2-year institutions of higher education offer remedial writing courses, and three-quarters of public 4-year institutions of higher education and half of all private 4-year institutions of higher education must provide remedial courses in writing;

''(4) American businesses and corporations are concerned about the limited writing skills of both entry-level workers and executives whose promotions are denied due to inadequate writing abilities;

''(5) writing is fundamental to learning, including learning to read, yet writing has been neglected historically in schools and in teacher training institutions;

''(6) writing is a central feature in State and school district education standards in all disciplines;

''(7) since 1973, the only national program to address the writing problem in the Nation's schools has been the National Writing Project, a network of collaborative university-school programs, the goals of which are to improve student achievement in writing and student learning through improving the teaching and uses of writing at all grade levels and in all disciplines;

''(8) the National Writing Project is a nationally recognized and honored nonprofit organization that improves the quality of teaching and teachers through developing teacher-leaders who teach other teachers in summer and school year programs;

''(9) evaluations of the National Writing Project document the positive impact the project has had on improving the teaching of writing, student performance in writing, and student learning;

''(10) the National Writing Project has become a model for programs to improve teaching in such other fields as mathematics, science, history, reading and literature, performing arts, and foreign languages;

''(11) each year, over 150,000 participants benefit from National Writing Project programs in 1 of 156 United States sites located in 46 States and the Commonwealth of Puerto Rico; and

''(12) the National Writing Project is a cost-effective program and leverages over 6 dollars for every 1 Federal dollar.

''(b) PURPOSE.—It is the purpose of this part—

''(1) to support and promote the expansion of the National Writing Project network of sites so that teachers in every region of the United States will have access to a National Writing Project program;

''(2) to ensure the consistent high quality of the sites through ongoing review, evaluation and technical assistance;

''(3) to support and promote the establishment of programs to disseminate effective practices and research findings about the teaching of writing; and

''(4) to coordinate activities assisted under this part with activities assisted under this Act.

"SEC. 10152. NATIONAL WRITING PROJECT.

''(a) AUTHORIZATION.—The Secretary is authorized to award a grant to the National Writing Project, a nonprofit educational organization that has as its primary purpose the improvement of the quality of student writing and learning (hereafter in this section referred to as the 'grantee') to improve the teaching of writing and the use of writing as a part of the learning process in our Nation's classrooms.

''(b) REQUIREMENTS OF GRANT.—The grant shall provide that—

''(1) the grantee will enter into contracts with institutions of higher education or other nonprofit educational providers (hereafter in this section referred to as 'contractors') under which the contractors will agree 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;

''(2) funds made available by the Secretary to the grantee pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating teacher training programs as provided in paragraph (1); and

''(3) the grantee will meet such other conditions and standards as the Secretary determines to be necessary to assure compliance with the provisions of this section and will provide such technical assistance as may be necessary to carry out the provisions of this section.

''(c) TEACHER TRAINING PROGRAMS.—The teacher training programs authorized in subsection (a) shall—

''(1) be conducted during the school year and during the summer months;

''(2) train teachers who teach grades kindergarten through college;

''(3) select teachers to become members of a National Writing Project teacher network whose members will conduct writing workshops for other teachers in the area served by each National Writing Project site; and

''(4) encourage teachers from all disciplines to participate in such teacher training programs.

''(d) FEDERAL SHARE.—

''(1) IN GENERAL.—Except as provided in paragraph (2) or (3) and for purposes of subsection (a), the term 'Federal share' means, with respect to the costs of teacher training programs authorized in subsection (a), 50 percent of such costs to the contractor.

''(2) WAIVER.—The Secretary may waive the provisions of paragraph (1) on a case-by-case basis if the National Advisory Board described in subsection (e) determines, on the basis of financial need, that such waiver is necessary.

''(3) MAXIMUM.—The Federal share of the costs of teacher training programs conducted pursuant to subsection (a) may not exceed $100,000 for any one contractor, or $200,000 for a statewide program administered by any one contractor in at least 5 sites throughout the State.

''(e) NATIONAL ADVISORY BOARD.—

''(1) ESTABLISHMENT.—The National Writing Project shall establish and operate a National Advisory Board.

''(2) COMPOSITION.—The National Advisory Board established pursuant to paragraph (1) shall consist of—

''(A) national educational leaders;

''(B) leaders in the field of writing; and

''(C) such other individuals as the National Writing Project determines necessary.

''(3) DUTIES.—The National Advisory Board established pursuant to paragraph (1) shall—

''(A) advise the National Writing Project on national issues related to student writing and the teaching of writing;

''(B) review the activities and programs of the National Writing Project; and

''(C) support the continued development of the National Writing Project.

''(f) EVALUATION.—

''(1) IN GENERAL.—The Secretary shall conduct an independent evaluation by grant or contract of the teacher training programs administered pursuant to this part. Such evaluation shall specify the amount of funds expended by the National Writing Project and each contractor receiving assistance under this section for administrative costs. The results of such evaluation shall be made available to the appropriate committees of Congress.

''(2) FUNDING LIMITATION.—The Secretary shall reserve not more than $150,000 from the total amount appropriated pursuant to the authority of subsection (h) for fiscal year 2002 and the 6 succeeding fiscal years to conduct the evaluation described in paragraph (1).

''(g) APPLICATION REVIEW.—

''(1) REVIEW BOARD.—The National Writing Project shall establish and operate a National Review Board that shall consist of—

''(A) leaders in the field of research in writing; and

''(B) such other individuals as the National Writing Project deems necessary.

''(2) DUTIES.—The National Review Board shall—

''(A) review all applications for assistance under this subsection; and

''(B) recommend applications for assistance under this subsection for funding by the National Writing Project.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the grant to the National Writing Project, $15,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years, to carry out the provisions of this section.

"PART C—READY TO LEARN; READY TO TEACH

"Subpart 1—Ready to Learn

"SEC. 10201. SHORT TITLE; FINDINGS.

''(a) SHORT TITLE.—This part may be cited as the 'Ready to Learn, Ready to Teach Act of 2001'.

''(b) FINDINGS.—Congress makes the following findings:

''(1) In 1994, Congress and the Department collaborated to make a long-term, meaningful and public investment in the principle that high quality preschool television programming will help children be ready to learn by the time the children entered first grade.

''(2) The Ready to Learn Television Program through the Public Broadcasting Service (PBS) and local public television stations has proven to be an extremely cost-effective national response to improving early childhood cognitive development and helping parents, caregivers, and professional child care providers learn how to use television as a means to help children learn and develop social skills and values.

''(3) Independent research shows that parents who participate in Ready to Learn workshops are more selective of the programs that they choose for their children, limit the number of hours of television viewing of their children, and use the television programs as a catalyst for learning.

''(4) The Ready to Learn (RTL) Television Program is supporting and creating commercial-free broadcast programs for young children that are of the highest possible educational quality.

''(5) Through the Nation's 350 local public television stations, these programs and other programming elements reach tens of millions of children, their parents, and caregivers without regard to their economic circumstances, location, or access to cable. Public television is a partner with Federal policy to make television an instrument of preschool children's education and early development.

''(6) The Ready to Learn Television Program supports thousands of local workshops organized and run by local public television stations, child care service providers, Head Start Centers, Even Start family literacy centers and schools. These workshops have trained 630,587 parents and professionals who, in turn, serve and support over 6,312,000 children across the Nation.

''(7) The Ready to Learn Television Program has published and distributed a periodic magazine entitled 'PBS Families' that contains developmentally appropriate material to strengthen reading skills and enhance family literacy.

''(8) Ready to Learn Television stations also have distributed millions of age-appropriate books in their communities. Each station receives a minimum of 300 books each month for free local distribution. Some stations are now distributing more than 1,000 books per month. Nationwide, more than 653,494 books have been distributed in low-income and disadvantaged neighborhoods free of charge.

''(9) Demand for Ready To Learn Television Program outreach and training has increased from 10 Public Broadcasting Service stations to 133 stations in 5 years. This growth has put a strain on available resources resulting in an inability to meet the demand for the service and to reach all the children who would benefit from the service.

''(10) Federal policy played a crucial role in the evolution of analog television by funding the television program entitled 'Sesame Street' in the 1960's. Federal policy should continue to play an equally crucial role for children in the digital television age.

"SEC. 10202. READY TO LEARN.

''(a) IN GENERAL.—The Secretary is authorized to award grants to eligible entities described in section 10203(b) to develop, produce, and distribute educational and instructional video programming for preschool and elementary school children and their parents in order to facilitate the achievement of the National Education Goals.

''(b) AVAILABILITY.—In making such grants, the Secretary shall ensure that eligible entities make programming widely available, with support materials as appropriate, to young children, their parents, child care workers, and Head Start providers to increase the effective use of such programming.

"SEC. 10203. EDUCATIONAL PROGRAMMING.

''(a) AWARDS.—The Secretary shall award grants under section 10202 to eligible entities to—

''(1) facilitate the development directly, or through contracts with producers of children and family educational television programming, of—

''(A) educational programming for preschool and elementary school children; and

''(B) accompanying support materials and services that promote the effective use of such programming;

''(2) facilitate the development of programming and digital content especially designed for nationwide distribution over public television stations' digital broadcasting channels and the Internet, containing Ready to Learn-based children's programming and resources for parents and caregivers; and

''(3) enable eligible entities to contract with entities (such as public telecommunications entities) so that programs developed under this section are disseminated and distributed—

(A) to the widest possible audience appropriate to be served by the programming; and

(B) by the most appropriate distribution technologies.

''(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an entity shall be—

''(1) a public telecommunications entity that is able to demonstrate a capacity for the development and national distribution of educational and instructional television programming of high quality for preschool and elementary school children;

''(2) able to demonstrate a capacity to contract with the producers of children's television programming for the purpose of developing educational television programming of high quality for preschool and elementary school children; and

''(3) able to demonstrate a capacity to localize programming and materials to meet specific State and local needs and provide educational outreach at the local level.

''(c) CULTURAL EXPERIENCES.—Programming developed under this section shall reflect the recognition of rural and urban cultural and ethnic diversity of the Nation's children and the needs of both boys and girls in preparing young children for success in school.

"SEC. 10204. DUTIES OF SECRETARY.

''The Secretary is authorized—

''(1) to award grants to eligible entities described in section 10203(b), local public television stations, or such public television stations that are part of a consortium with 1 or more State educational agencies, local educational agencies, local schools, institutions of higher education, or community-based organizations of demonstrated effectiveness, for the purpose of—

''(A) addressing the learning needs of young children in limited English proficient households, and developing appropriate educational and television programming to foster the school readiness of such children;

''(B) developing programming and support materials to increase family literacy skills among parents to assist parents in teaching their children and utilizing educational television programming to promote school readiness; and

''(C) identifying, supporting, and enhancing the effective use and outreach of innovative programs that promote school readiness;

''(D) developing and disseminating education and training materials, including—

''(i) interactive programs and programs adaptable to distance learning technologies that are designed to enhance knowledge of children's social and cognitive skill development and positive adult-child interactions;

''(ii) teacher training and professional development to ensure qualified caregivers; and

''(iii) support materials to promote the effective use of materials developed under subparagraph (B) among parents, Head Start providers, in-home and center-based daycare providers, early childhood development personnel, elementary school teachers, public libraries, and after-school program personnel caring for preschool and elementary school children; and

''(E) distributing books to low-income individuals to leverage high-quality television programming;

''(2) to establish within the Department a clearinghouse to compile and provide information, referrals, and model program materials and programming obtained or developed under this subpart to parents, child care providers, and other appropriate individuals or entities to assist such individuals and entities in accessing programs and projects under this subpart; and

''(3) to coordinate activities assisted under this subpart with the Secretary of Health and Human Services in order to—

''(A) maximize the utilization of quality educational programming by preschool and elementary school children, and make such programming widely available to federally funded programs serving such populations; and

''(B) provide information to recipients of funds under Federal programs that have major training components for early childhood development, including programs under the Head Start Act and Even Start, and State training activities funded under the Child Care Development Block Grant Act of 1990, regarding the availability and utilization of materials developed under paragraph (1)(D) to enhance parent and child care provider skills in early childhood development and education.

"SEC. 10205. APPLICATIONS.

''Each entity desiring a grant under section 10202 or 10204 shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

"SEC. 10206. REPORTS AND EVALUATION.

''(a) ANNUAL REPORT TO SECRETARY.—An eligible entity receiving funds under section 10202 shall prepare and submit to the Secretary an annual report which contains such information as the Secretary may require. At a minimum, the report shall describe the program activities undertaken with funds received under section 10202, including—

''(1) the programming that has been developed directly or indirectly by the eligible entity, and the target population of the programs developed;

''(2) the support materials that have been developed to accompany the programming, and the method by which such materials are distributed to consumers and users of the programming;

''(3) the means by which programming developed under this section has been distributed, including the distance learning technologies that have been utilized to make programming available and the geographic distribution achieved through such technologies; and

''(4) the initiatives undertaken by the eligible entity to develop public-private partnerships to secure non-Federal support for the development, distribution, and broadcast of educational and instructional programming.

''(b) REPORT TO CONGRESS.—The Secretary shall prepare and submit to the relevant committees of Congress a biannual report which includes—

''(1) a summary of activities assisted under section 10203(a); and

''(2) a description of the training materials made available under section 10204(1)(D), the manner in which outreach has been conducted to inform parents and child care providers of the availability of such materials, and the manner in which such materials have been distributed in accordance with such section.

''SEC. 10207. ADMINISTRATIVE COSTS.

''With respect to the implementation of section 10203, eligible entities receiving a grant from the Secretary may use not more than 5 percent of the amounts received under such section for the normal and customary expenses of administering the grant.

''SEC. 10208. DEFINITION.

''For the purposes of this subpart, the term 'distance learning' means the transmission of educational or instructional programming to geographically dispersed individuals and groups via telecommunications.

''SEC. 10209. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this subpart, $50,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.

''(b) FUNDING RULE.—Not less than 60 percent of the amounts appropriated under subsection (a) for each fiscal year shall be used to carry out section 10203.

''Subpart 2—Ready to Teach

''SEC. 10251. FINDINGS.

''Congress makes the following findings:

''(1) Since 1995, the Telecommunications Demonstration Project for Mathematics (as established under this part pursuant to the Improving America's Schools Act of 1994) has allowed the Public Broadcasting Service to pioneer and refine a new model of teacher professional development for kindergarten through grade 12 teachers. Video modeling of standards-based lessons, combined with professionally facilitated online learning communities of teachers has been proven to help mathematics teachers adopt and implement standards-based practices. This integrated, self-paced approach breaks down the isolation of classroom teaching while making standards-based best practices available to all participants.

''(2) More than 5,800 teachers have participated over the last 3 years in the demonstration. These teachers have taught more than 1,500,000 students cumulatively.

''(3) Independent evaluations indicate that teaching improves and students benefit as a result of the program.

''(4) The demonstration program should be expanded to reach more teachers in more subject areas under the title of Teacherline. The Teacherline Program will link the digitized public broadcasting infrastructure with education networks by working with the program's digital membership, and Federal and State agencies, to expand and build upon the successful model and take advantage of greatly expanded access to the Internet and technology in schools, including digital television. The Teacherline Program will leverage the Public Broadcasting Service's historic relationships with higher education to improve preservice teacher training.

''(5) Over the past several years tremendous progress has been made in wiring classrooms, equipping the classrooms with multimedia computers, and connecting the classrooms to the Internet.

''(6) There is a great need for high quality, curriculum-based digital content for teachers and students to easily access and use in order to meet State and local standards for student performance.

''(7) The congressionally appointed Web-based Education Commission called for the development of high quality public-private online educational content that meets the highest standards of educational excellence.

''(8) Most local public television stations and State networks provide high-quality video programs, and teacher professional development, as a part of their mission to serve local schools. Programs distributed by public broadcast stations are used by more classroom teachers than any other because of their high quality and relevance to the curriculum.

''(9) Digital broadcasting can dramatically increase and improve the types of services public broadcasting stations can offer kindergarten through grade 12 schools.

''SEC. 10252. PROJECT AUTHORIZED.

''(a) GRANTS AUTHORIZED.—The Secretary is authorized to make grants to a nonprofit telecommunications entity, or partnership of such entities, for the purpose of carrying out a national telecommunications-based program to improve teaching in core curriculum areas. The program shall be designed to assist elementary school and secondary school teachers in preparing all students for achieving State and local content standards in core curriculum areas.

''(b) PROGRAMMING.—The Secretary is also authorized to award grants to eligible entities described in section 10254(b) to develop, produce, and distribute innovative educational and instructional video programming that is designed for use by kindergarten through grade 12 schools and based on State and local standards. In making the grants, the Secretary shall ensure that eligible entities enter into multiyear content development collaborative arrangements with State educational agencies, local educational agencies, institutions of higher education, businesses, or other agencies and organizations.

''SEC. 10253. APPLICATION REQUIRED.

''(a) IN GENERAL.—Each nonprofit telecommunications entity, or partnership of such entities, desiring a grant under section 10252(a) shall submit an application to the Secretary. Each such application shall—

''(1) demonstrate that the applicant will use the public broadcasting infrastructure and school digital networks, where available, to deliver video and data in an integrated service to train teachers in the use of standards-based curricula materials and learning technologies;

''(2) ensure that the project for which assistance is sought will be conducted in cooperation with appropriate State educational agencies, local educational agencies, national, State or local nonprofit public telecommunications entities, and national education professional associations that have developed content standards in the subject areas;

''(3) ensure that a significant portion of the benefits available for elementary schools and secondary schools from the project for which assistance is sought will be available to schools of local educational agencies which have a high percentage of children counted for the purpose of part A of title I; and

''(4) contain such additional assurances as the Secretary may reasonably require.

''(b) SITES.—In approving applications under section 10252(a), the Secretary shall ensure that the program authorized by section 10252(a) is conducted at elementary school and secondary school sites across the Nation.

''(c) APPLICATION.—Each eligible entity desiring a grant under section 10252(b) shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''SEC. 10254. REPORTS AND EVALUATION.

''An eligible entity receiving funds under section 10252(a) shall prepare and submit to the Secretary an annual report which contains such information as the Secretary may require. At a minimum, the report shall described the program activities undertaken with funds received under section 10252(a), including—

''(1) the core curriculum areas for which program activities have been undertaken and the number of teachers using the program in each core curriculum area; and

''(2) the States in which teachers using the program are located.

''SEC. 10255. EDUCATIONAL PROGRAMMING.

''(a) AWARDS.—The Secretary shall award grants under section 10252(b) to eligible entities to facilitate the development of educational programming that shall—

''(1) include student assessment tools to give feedback on student performance;

''(2) include built-in teacher utilization and support components to ensure that teachers understand and can easily use the content of the programming with group instruction or for individual student use;

''(3) be created for, or adaptable to, State and local content standards; and

''(4) be capable of distribution through digital broadcasting and school digital networks.

''(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under section 10252(b), an entity shall be a local public telecommunications entity as defined by section 397(12) of the Communications Act of 1934 that is able to demonstrate a capacity for the development and distribution of educational and instructional television programming of high quality.

''(c) COMPETITIVE BASIS.—Grants under section 10252(b) shall be awarded on a competitive basis as determined by the Secretary.

''(d) DURATION.—Each grant under section 10252(b) shall be awarded for a period of 3 years in order to allow time for the creation of a substantial body of significant content.

''SEC. 10256. MATCHING REQUIREMENT.

''Each eligible entity desiring a grant under section 10252(b) shall contribute to the activities assisted under section 10252(b) non-Federal matching funds equal to not less than 100 percent of the amount of the grant. Matching funds may include funds provided for the transition to digital broadcasting, as well as in-kind contributions.

''SEC. 10257. ADMINISTRATIVE COSTS.

''With respect to the implementation of section 10252(b), entities receiving a grant

from the Secretary may use not more than 5 percent of the amounts received under the grant for the normal and customary expenses of administering the grant.

"SEC. 10258. AUTHORIZATION OF APPROPRIATIONS; FUNDING RULES.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this subpart, $45,000,000 for the fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.

''(b) FUNDING RULE.—For any fiscal year in which appropriations for section 10252 exceed the amount appropriated for such section for the preceding fiscal year, the Secretary shall only award the amount of such excess minus at least $500,000 to applicants under section 10252(b).

"PART D—EDUCATION FOR DEMOCRACY

"SEC. 10301. SHORT TITLE.

''This part may be cited as the 'Education for Democracy Act'.

"SEC. 10302. FINDINGS.

''Congress finds that—

''(1) college freshmen surveyed in 1999 by the Higher Education Research Institute at the University of California at Los Angeles demonstrated higher levels of disengagement, both academically and politically, than any previous entering class of students;

''(2) college freshmen in 1999 demonstrated the lowest levels of political interest in the 20-year history of surveys conducted by the Higher Education Research Institute at the University of California at Los Angeles;

''(3) United States secondary school students expressed relatively low levels of interest in politics and economics in a 1999 Harris survey;

''(4) the 32d Annual Phi Delta Kappa/Gallup Poll of 2000 indicated that preparing students to become responsible citizens was the most important purpose of public schools;

''(5) Americans surveyed by the Organization of Economic Cooperation and Development indicated that only 59 percent had confidence that schools have a major effect on the development of good citizenship;

''(6) teachers too often do not have sufficient expertise in the subjects that they teach, and half of all secondary school history students in America are being taught by teachers with neither a major nor a minor in history;

''(7) secondary school students correctly answered less than half of the questions on a national test of economic knowledge in a 1999 Harris survey;

''(8) the 1998 National Assessment of Educational Progress indicated that students have only superficial knowledge of, and lacked a depth of understanding regarding, civics;

''(9) civic and economic education are important not only to developing citizenship competencies in the United States but also are critical to supporting political stability and economic health in other democracies, particularly emerging democratic market economies;

''(10) more than three quarters of Americans surveyed by the National Constitution Center in 1997 admitted that they knew only some or very little about the Constitution of the United States; and

''(11) the Constitution of the United States is too often viewed within the context of history and not as a living document that shapes current events.

"SEC. 10303. PURPOSE.

''It is the purpose of this part—

''(1) to improve the quality of civics and government education by educating students about the history and principles of the Constitution of the United States, including the Bill of Rights;

''(2) to foster civic competence and responsibility; and

''(3) to improve the quality of civic education and economic education through cooperative civic education and economic education exchange programs with emerging democracies.

"SEC. 10304. GENERAL AUTHORITY.

''(a) GRANTS AND CONTRACTS.—

''(1) IN GENERAL.—The Secretary is authorized to award grants to or enter into contracts with—

''(A) the Center for Civic Education to carry out civic education activities under sections 10305 and 10306; and

''(B) the National Council on Economic Education to carry out economic education activities under section 10306.

''(2) CONSULTATION.—The Secretary shall award the grants and contracts under this part in consultation with the Secretary of State.

''(b) DISTRIBUTION.—The Secretary shall use not more than 50 percent of the amount appropriated under section 10307(b) for each fiscal year to carry out economic education activities under section 10306.

"SEC. 10305. WE THE PEOPLE PROGRAM.

''(a) THE CITIZEN AND THE CONSTITUTION.—

''(1) IN GENERAL.—The Center for Civic Education shall use funds awarded under section 10304(a)(1)(A) to carry out The Citizen and the Constitution program in accordance with this subsection.

''(2) EDUCATIONAL ACTIVITIES.—The Citizen and the Constitution program—

''(A) shall continue and expand the educational activities of the 'We the People . . . The Citizen and the Constitution' program administered by the Center for Civic Education;

''(B) shall enhance student attainment of challenging content standards in civics and government;

''(C) shall provide a course of instruction on the basic principles of our Nation's constitutional democracy and the history of the Constitution of the United States and the Bill of Rights;

''(D) shall provide, at the request of a participating school, school and community simulated congressional hearings following the course of study;

''(E) shall provide an annual national competition of simulated congressional hearings for secondary school students who wish to participate in such a program; and

''(F) shall provide—

''(i) advanced sustained and ongoing training of teachers about the Constitution of the United States and the political system the United States created;

''(ii) materials and methods of instruction, including teacher training, that utilize the latest advancements in educational technology; and

''(iii) civic education materials and services to address specific problems such as the prevention of school violence and the abuse of drugs and alcohol.

''(3) AVAILABILITY OF PROGRAM.—The education program authorized under this subsection shall be made available to public and private elementary schools and secondary schools, including Bureau funded schools, in the 435 congressional districts, and in the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

''(b) PROJECT CITIZEN.—

''(1) IN GENERAL.—The Center for Civic Education shall use funds awarded under section 10304(a)(1)(A) to carry out The Project Citizen program in accordance with this subsection.

''(2) EDUCATIONAL ACTIVITIES.—The Project Citizen program—

''(A) shall continue and expand the educational activities of the 'We the People . . . Project Citizen' program administered by the Center for Civic Education;

''(B) shall enhance student attainment of challenging content standards in civics and government;

''(C) shall provide a course of instruction at the middle school level on the roles of State and local governments in the Federal system established by the Constitution of the United States;

''(D) shall provide an annual national showcase or competition; and

''(E) shall provide—

''(i) optional school and community simulated State legislative hearings;

''(ii) advanced sustained and ongoing training of teachers on the roles of State and local governments in the Federal system established by the Constitution of the United States;

''(iii) materials and methods of instruction, including teacher training, that utilize the latest advancements in educational technology; and

''(iv) civic education materials and services to address specific problems such as the prevention of school violence and the abuse of drugs and alcohol.

''(3) AVAILABILITY OF PROGRAM.—The education program authorized under this subsection shall be made available to public and private middle schools, including Bureau funded schools, in the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

''(c) DEFINITION OF BUREAU FUNDED SCHOOL.—In this section, the term 'Bureau funded school' has the meaning given the term in section 1146 of the Education Amendments of 1978.

"SEC. 10306. COOPERATIVE CIVIC EDUCATION AND ECONOMIC EDUCATION EXCHANGE PROGRAMS.

''(a) COOPERATIVE EDUCATION EXCHANGE PROGRAMS.—The Center for Civic Education and the National Council on Economic Education shall use funds awarded under section 10304(a)(1) to carry out Cooperative Education Exchange programs in accordance with this section.

''(b) PURPOSE.—The purpose of the Cooperative Education Exchange programs provided under this section shall be to—

''(1) make available to educators from eligible countries exemplary curriculum and teacher training programs in civics and government education, and economics education, developed in the United States;

''(2) assist eligible countries in the adaptation, implementation, and institutionalization of such programs;

''(3) create and implement civics and government education, and economic education, programs for students that draw upon the experiences of the participating eligible countries;

''(4) provide a means for the exchange of ideas and experiences in civics and government education, and economic education, among political, educational, governmental, and private sector leaders of participating eligible countries; and

''(5) provide support for—

''(A) independent research and evaluation to determine the effects of educational programs on students' development of the knowledge, skills, and traits of character essential for the preservation and improvement of constitutional democracy; and

''(B) effective participation in and the preservation and improvement of an efficient market economy.

''(c) AVOIDANCE OF DUPLICATION.—The Secretary shall consult with the Secretary of State to ensure that—

''(1) activities under this section are not duplicative of other efforts in the eligible countries; and

''(2) partner institutions in the eligible countries are creditable.

''(d) ACTIVITIES.—The Cooperative Education Exchange programs shall—

''(1) provide eligible countries with—

''(A) seminars on the basic principles of United States constitutional democracy and economics, including seminars on the major governmental and economic institutions and systems in the United States, and visits to such institutions;

''(B) visits to school systems, institutions of higher education, and nonprofit organizations conducting exemplary programs in civics and government education, and economic education, in the United States;

''(C) translations and adaptations regarding United States civic and government education, and economic education, curricular programs for students and teachers, and in the case of training programs for teachers translations and adaptations into forms useful in schools in eligible countries, and joint research projects in such areas; and

''(D) independent research and evaluation assistance to determine—

''(i) the effects of the Cooperative Education Exchange programs on students' development of the knowledge, skills, and traits of character essential for the preservation and improvement of constitutional democracy; and

''(ii) effective participation in and the preservation and improvement of an efficient market economy;

''(2) provide United States participants with—

''(A) seminars on the histories, economies, and systems of government of eligible countries;

''(B) visits to school systems, institutions of higher education, and organizations conducting exemplary programs in civics and government education, and economic education, located in eligible countries;

''(C) assistance from educators and scholars in eligible countries in the development of curricular materials on the history, government, and economy of such countries that are useful in United States classrooms;

''(D) opportunities to provide onsite demonstrations of United States curricula and pedagogy for educational leaders in eligible countries; and

''(E) independent research and evaluation assistance to determine—

''(i) the effects of the Cooperative Education Exchange programs on students' development of the knowledge, skills, and traits of character essential for the preservation and improvement of constitutional democracy; and

''(ii) effective participation in and improvement of an efficient market economy; and

''(3) assist participants from eligible countries and the United States to participate in conferences on civics and government education, and economic education, for educational leaders, teacher trainers, scholars in related disciplines, and educational policymakers.

''(e) PARTICIPANTS.—The primary participants in the Cooperative Education Exchange programs assisted under this section shall be educational leaders in the areas of civics and government education, and economic education, including teachers, curriculum and teacher training specialists, scholars in relevant disciplines, and educational policymakers, and government and private sector leaders from the United States and eligible countries.

''(f) DEFINITION OF ELIGIBLE COUNTRY.—For the purpose of this section, the term 'eligible country' means a Central European country, an Eastern European country, Lithuania, Latvia, Estonia, the independent states of the former Soviet Union as defined in section 3 of the FREEDOM Support Act (22 U.S.C. 5801), and may include the Republic of Ireland, the province of Northern Ireland in the United Kingdom, and any developing country, as defined in section 209(d) of the Education for the Deaf Act, that has a democratic form of government as determined by the Secretary in consultation with the Secretary of State.

"SEC. 10307. AUTHORIZATION OF APPROPRIATIONS.

''(a) SECTION 10304.—There are authorized to be appropriated to carry out section 10304, $15,000,000 for fiscal year 2002 and such sums as may be necessary for each of the fiscal years 2003 through 2008.

''(b) SECTION 10305.—There are authorized to be appropriated to carry out section 10305, $12,000,000 for fiscal year 2002, and such sums as may be necessary for each of the fiscal years 2003 through 2008.

"PART E—GIFTED AND TALENTED CHILDREN

"SEC. 10401. SHORT TITLE.

''This part may be cited as the 'Jacob K. Javits Gifted and Talented Students Education Act of 2001'.

"SEC. 10402. FINDINGS.

''Congress finds the following:

''(1) While the families or communities of some gifted students can provide private programs with appropriately trained staff to supplement public educational offerings, most high-ability students, especially those from inner cities, rural communities, or low-income families, must rely on the services and personnel provided by public schools. Therefore, gifted education programs, provided by qualified professionals in the public schools, are needed to provide equal educational opportunities.

''(2) Due to the wide dispersal of students who are gifted and talented and the national interest in a well-educated populace, the Federal Government can most effectively and appropriately conduct research and development to provide an infrastructure for, and to ensure that there is, a national capacity to educate students who are gifted and talented to meet the needs of the 21st century.

''(3) State and local educational agencies often lack the specialized resources and trained personnel to consistently plan and implement effective programs for the identification of gifted and talented students and for the provision of educational services and programs appropriate for their needs.

''(4) Because gifted and talented students generally are more advanced academically, are able to learn more quickly, and study in more depth and complexity than others their age, their educational needs require opportunities and experiences that are different from those generally available in regular education programs.

''(5) Typical elementary school students who are academically gifted and talented already have mastered 35 to 50 percent of the school year's content in several subject areas before the year begins. Without an advanced and challenging curriculum, they often lose their motivation and develop poor study habits that are difficult to break.

''(6) Elementary school and secondary school teachers have students in their classrooms with a wide variety of traits, characteristics, and needs. Most teachers receive some training to meet the needs of these students, such as students with limited English proficiency, students with disabilities, and students from diverse cultural and racial backgrounds. However, most teachers do not receive training on meeting the needs of students who are gifted and talented.

"SEC. 10403. CONDITIONS ON EFFECTIVENESS OF SUBPART 2.

''(a) IN GENERAL.—Subpart 2 shall be in effect only for—

''(1) the first fiscal year for which the amount appropriated to carry out this part equals or exceeds $50,000,000; and

''(2) all succeeding fiscal years.

"Subpart 1—National Research Program

"SEC. 10411. PURPOSE.

''The purpose of this subpart is to initiate a coordinated program of research, demonstration projects, innovative strategies, and similar activities designed to build a nationwide capability in elementary schools and secondary schools to meet the special educational needs of gifted and talented students.

"SEC. 10412. GRANTS TO MEET EDUCATIONAL NEEDS OF GIFTED AND TALENTED STUDENTS.

''(a) ESTABLISHMENT OF PROGRAM.—

''(1) IN GENERAL.—Subject to section 10403, from the sums available to carry out this subpart in any fiscal year, the Secretary shall make grants to, or enter into contracts with, State educational agencies, local educational agencies, institutions of higher education, other public agencies, and other private agencies and organizations (including Indian tribes and Indian organizations (as such terms are defined in section 4 of the Indian Self-Determination and Education Assistance Act) and Native Hawaiian organizations) to assist such agencies, institutions, and organizations in carrying out programs or projects authorized by this subpart that are designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students and in the use, where appropriate, of gifted and talented services, materials, and methods for all students.

''(2) APPLICATION.—Each entity desiring assistance under this subpart shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Each such application shall describe how—

''(A) the proposed gifted and talented services, materials, and methods can be adapted, if appropriate, for use by all students; and

''(B) the proposed programs can be evaluated.

''(b) USES OF FUNDS.—Programs and projects assisted under this subpart may include the following:

''(1) Carrying out—

''(A) research on methods and techniques for identifying and teaching gifted and talented students, and for using gifted and talented programs and methods to serve all students; and

''(B) program evaluations, surveys, and the collection, analysis, and development of information needed to accomplish the purpose of this subpart.

''(2) Professional development (including fellowships) for personnel (including leadership personnel) involved in the education of gifted and talented students.

''(3) Establishment and operation of model projects and exemplary programs for serving gifted and talented students, including innovative methods for identifying and educating students who may not be served by traditional gifted and talented programs, including summer programs, mentoring programs, service learning programs, and cooperative programs involving business, industry, and education.

''(4) Implementing innovative strategies, such as cooperative learning, peer tutoring, and service learning.

''(5) Programs of technical assistance and information dissemination, including assistance and information with respect to how gifted and talented programs and methods, where appropriate, may be adapted for use by all students.

''SEC. 10413. PROGRAM PRIORITIES.

''(a) GENERAL PRIORITY.—In the administration of this subpart, the Secretary shall give highest priority to programs and projects designed to develop new information that—

''(1) improves the capability of schools to plan, conduct, and improve programs to identify and serve gifted and talented students; and

''(2) assists schools in the identification of, and provision of services to, gifted and talented students who may not be identified and served through traditional assessment methods (including economically disadvantaged individuals, individuals of limited English proficiency, and individuals with disabilities).

''(b) SERVICE PRIORITY.—In approving applications for assistance under section 10412(a)(2), the Secretary shall ensure that in each fiscal year at least ½ of the applications approved under such section address the priority described in subsection (a)(2).

''SEC. 10414. CENTER FOR RESEARCH AND DEVELOPMENT.

''(a) IN GENERAL.—The Secretary (after consultation with experts in the field of the education of gifted and talented students) shall establish a National Research Center in the Education of Gifted and Talented Children and Youth through grants to or contracts with 1 or more institutions of higher education or State educational agencies, or a combination or consortium of such institutions and agencies and other public or private agencies and organizations, for the purpose of carrying out activities described in section 10412.

''(b) DIRECTOR.—Such National Center shall have a Director. The Secretary may authorize the Director to carry out such functions of the National Center as may be agreed upon through arrangements with institutions of higher education, State or local educational agencies, or other public or private agencies and organizations.

''(c) FUNDING.—The Secretary may use not more than 30 percent of the funds made available under this subpart for any fiscal year to carry out this section.

''SEC. 10415. GENERAL PROVISIONS FOR SUBPART.

''(a) REVIEW, DISSEMINATION, AND EVALUATION.—The Secretary—

''(1) shall use a peer review process in reviewing applications under sections 10415(d) and 10412;

''(2) shall ensure that information on the activities and results of programs and projects funded under this subpart is disseminated to appropriate State and local educational agencies and other appropriate organizations, including nonprofit private organizations; and

''(3) shall evaluate the effectiveness of programs under this subpart, both in terms of the impact on students traditionally served in separate gifted and talented programs and on other students, and submit the results of such evaluation to Congress not later than 2 years after the date of enactment of the Better Education for Students and Teachers Act.

''(b) PROGRAM OPERATIONS.—The Secretary shall ensure that the programs under this subpart are administered within the Department by a person who has recognized professional qualifications and experience in the field of the education of gifted and talented students and who—

''(1) shall serve as a focal point of national leadership and information on the educational needs of gifted and talented students and the availability of educational services and programs designed to meet such needs;

''(2) shall assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities which reflect the needs of gifted and talented students; and

''(3) shall disseminate and consult on the information developed under this subpart with other offices within the Department.

''(c) COORDINATION.—Research activities supported under this subpart—

''(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by such Office; and

''(2) may include collaborative research activities which are jointly funded and carried out with such Office.

''(d) GRANTS TO STATE EDUCATIONAL AGENCIES FOR AUTHORIZED ACTIVITIES.—

''(1) IN GENERAL.—For fiscal year 2002 and succeeding fiscal years, the Secretary shall use the excess amount of funds under subpart 1 to award grants, on a competitive basis, to State educational agencies to begin implementing activities described in section 10422(b).

''(2) EXCESS AMOUNT.—For purposes of paragraph (1), the excess amount described in this subsection is the amount (if any) by which the funds appropriated to carry out this subpart for the fiscal year exceed such funds appropriated for fiscal year 2001.

''(3) APPLICATION.—Each State educational agency desiring a grant under this section shall submit an application to the Secretary that contains the assurances described in section 10424(b), with respect to the implementing activities.

''Subpart 2—Formula Grant Program

''SEC. 10421. PURPOSE.

''The purpose of this subpart is to provide grants to States to support programs, teacher preparation, and other services designed to meet the needs of the Nation's gifted and talented students in elementary schools and secondary schools.

''SEC. 10422. ESTABLISHMENT OF PROGRAM; USE OF FUNDS.

''(a) IN GENERAL.—In the case of each State that in accordance with section 10424 submits to the Secretary an application for a fiscal year, subject to section 10403, the Secretary shall make a grant for the fiscal year to the State for the uses specified in subsection (b). The grant shall consist of the allotment determined for the State under section 10423.

''(b) AUTHORIZED ACTIVITIES.—Each State receiving a grant under this subpart shall use the funds provided under the grant to assist local educational agencies in the State to develop or expand gifted and talented education programs through 1 or more of the following activities:

''(1) Development and implementation of programs to address State and local needs for in-service training programs for general educators, specialists in gifted and talented education, administrators, or other personnel at the elementary school and secondary school levels.

''(2) Making materials and services available through State regional educational service centers, institutions of higher education, or other entities.

''(3) Supporting innovative approaches and curricula used by local educational agencies (or consortia of such agencies) or schools (or consortia of schools).

''(4) Providing funds for challenging, high-level course work, disseminated through new and emerging technologies (including distance learning), for individual students or groups of students in schools and local educational agencies that do not have the resources otherwise to provide such course work.

''(c) COMPETITIVE PROCESS.—Funds provided under this subpart shall be distributed to local educational agencies through a competitive process that results in an equitable distribution by geographic area within the State.

''(d) LIMITATIONS ON USE OF FUNDS.—

''(1) COURSE WORK PROVIDED THROUGH EMERGING TECHNOLOGIES.—Activities under subsection (b)(4) may include development of curriculum packages, compensation of distance-learning educators, or other relevant activities, but funds provided under this subpart may not be used for the purchase or upgrading of technological hardware.

''(2) STATE USE OF FUNDS.—

''(A) IN GENERAL.—A State educational agency receiving a grant under this subpart may not use more than 10 percent of the grant funds for—

''(i) dissemination of general program information;

''(ii) providing technical assistance under this subpart;

''(iii) monitoring and evaluation of programs and activities assisted under this subpart;

''(iv) providing support for parental education; and

''(v) creating a State gifted education advisory board.

''(B) ADMINISTRATIVE COSTS.—A State educational agency may use not more than 50 percent of the funds made available to the State educational agency under subparagraph (A) for administrative costs.

''(C) EDUCATION, INFORMATION, AND SUPPORT.—A State educational agency receiving a grant under this subpart may use not more than 2 percent of the grant funds to provide information, education, and support to parents and caregivers of gifted and talented children to enhance their ability to participate in decisions regarding their children's

educational programs. Such education, information, and support shall be developed and carried out by parents and caregivers or by parents and caregivers in partnership with the State.

"SEC. 10423. ALLOTMENTS TO STATES.

"(a) RESERVATION OF FUNDS.—From the amount made available to carry out this subpart for any fiscal year, the Secretary shall reserve ½ of 1 percent for the Secretary of the Interior for programs under this subpart for teachers, other staff, and administrators in schools operated or funded by the Bureau of Indian Affairs.

"(b) STATE ALLOTMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall allot the total amount made available to carry out this subpart for any fiscal year and not reserved under subsection (a) to the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico on the basis of their relative populations of individuals aged 5 through 17, as determined by the Secretary on the basis of the most recent satisfactory data.

"(2) MINIMUM GRANT AMOUNT.—No State receiving an allotment under paragraph (1) may receive less than ½ of 1 percent of the total amount allotted under such paragraph.

"(c) REALLOTMENT.—If any State does not apply for an allotment under this section for any fiscal year, the Secretary shall reallot such amount to the remaining States in accordance with this section.

"SEC. 10424. STATE APPLICATION.

"(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

"(b) CONTENTS.—Each application under this section shall include assurances that—

"(1) funds received under this subpart will be used to support gifted and talented students in public schools and public charter schools, including students from all economic, ethnic, and racial backgrounds, students of limited English proficiency, students with disabilities, and highly gifted students;

"(2) the funds not retained by the State educational agency shall be used for the purpose of making, in accordance with this subpart and on a competitive basis, grants to local educational agencies;

"(3) funds received under this subpart shall be used only to supplement, but not supplant, the amount of State and local funds expended for specialized education and related services provided for the education of gifted and talented students;

"(4) the State educational agency will provide matching funds for the activities to be assisted under this subpart in an amount equal to not less than 20 percent of the grant funds to be received; and

"(5) the State educational agency shall develop and implement program assessment models to ensure program accountability and to evaluate educational effectiveness.

"(c) APPROVAL.—To the extent funds are made available for this subpart, the Secretary shall approve an application of a State if such application meets the requirements of this section.

"SEC. 10425. DISTRIBUTION TO LOCAL EDUCATIONAL AGENCIES.

"(a) GRANT COMPETITION.—A State educational agency shall use not less than 88 percent of the funds made available to the State educational agency under this subpart to award grants, on a competitive basis, to local educational agencies (including consortia of local educational agencies) to support programs, classes, and other services designed to meet the needs of gifted and talented students.

"(b) SIZE OF GRANT.—A State educational agency shall award a grant under subsection (a) for any fiscal year in an amount sufficient to meet the needs of the students to be served under the grant.

"SEC. 10426. LOCAL APPLICATIONS.

"(a) APPLICATION.—To be eligible to receive a grant under this subpart, a local educational agency (including a consortium of local educational agencies) shall submit an application to the State educational agency.

"(b) CONTENTS.—Each such application shall include—

"(1) an assurance that the funds received under this subpart will be used to identify and support gifted and talented students, including gifted and talented students from all economic, ethnic, and racial backgrounds, such students of limited English proficiency, and such students with disabilities;

"(2) a description of how the local educational agency will meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students; and

"(3) an assurance that funds received under this subpart will be used to supplement, not supplant, the amount of funds the local educational agency expends for the education of, and related services for, gifted and talented students.

"SEC. 10427. ANNUAL REPORTING.

"Beginning 1 year after the date of enactment of the Better Education for Students and Teachers Act and for each subsequent year thereafter, the State educational agency shall submit an annual report to the Secretary that describes the number of students served and the activities supported with funds provided under this subpart. The report shall include a description of the measures taken to comply with paragraphs (1) and (4) of section 10424(b).

"Subpart 3—General Provisions

"SEC. 10431. CONSTRUCTION.

"Nothing in this subpart shall be construed to prohibit a recipient of funds under this subpart from serving gifted and talented students simultaneously with students with similar educational needs, in the same educational settings where appropriate.

"SEC. 10432. PARTICIPATION OF PRIVATE SCHOOL CHILDREN AND TEACHERS.

"In making grants and entering into contracts under this subpart, the Secretary shall ensure, where appropriate, that provision is made for the equitable participation of students and teachers in private nonprofit elementary schools and secondary schools, including the participation of teachers and other personnel in professional development programs serving such children.

"SEC. 10433. DEFINITIONS.

"For purposes of this subpart:

"(1) GIFTED AND TALENTED.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'gifted and talented' when used with respect to a person or program—

"(i) has the meaning given the term under applicable State law; or

"(ii) in the case of a State that does not have a State law defining the term, has the meaning given such term by definition of the State educational agency or local educational agency involved.

"(B) SPECIAL RULE.—In the case of a State that does not have a State law that defines the term, and the State educational agency or local educational agency has not defined the term, the term has the meaning given the term in section 3.

"(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

"SEC. 10434. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subpart $170,000,000 for each of fiscal years 2002 through 2008.

"PART F—LOCAL INNOVATIONS FOR EDUCATION (LIFE) FUND

"Subpart 1—Fund for the Improvement of Education

"SEC. 10501. FUND FOR THE IMPROVEMENT OF EDUCATION.

"(a) FUNDS AUTHORIZED.—From funds appropriated under subsection (d), the Secretary is authorized to support nationally significant programs and projects to improve the quality of education, assist all students to meet challenging State content standards and challenging State student performance standards, and carry out activities to raise standards and expectations for academic achievement among all students, especially disadvantaged students traditionally underserved in schools. The Secretary is authorized to carry out such programs and projects directly or through grants to, or contracts with, State and local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions.

"(b) USES OF FUNDS.—Funds under this section may be used for—

"(1) joint efforts with other agencies and community organizations, including activities related to improving the transition from preschool to school and from school to work, as well as activities related to the integration of educational, recreational, cultural, health and social services programs within a local community;

"(2) activities to promote and evaluate counseling and mentoring for students, including intergenerational mentoring;

"(3) activities to promote and evaluate coordinated student support services;

"(4) activities to promote comprehensive health education;

"(5) activities to promote environmental education;

"(6) activities to promote consumer, economic, and personal finance education, such as saving, investing, and entrepreneurial education;

"(7) studies and evaluation of various education reform strategies and innovations being pursued by the Federal Government, States, and local educational agencies;

"(8) the identification and recognition of exemplary schools and programs, such as Blue Ribbon Schools;

"(9) programs designed to promote gender equity in education by evaluating and eliminating gender bias in instruction and educational materials, identifying, and analyzing gender inequities in educational practices, and implementing and evaluating educational policies and practices designed to achieve gender equity;

"(10) programs designed to encourage parents to participate in school activities;

"(11) experiential-based learning, such as service-learning;

"(12) developing, adapting, or expanding existing and new applications of technology to support the school reform effort;

"(13) acquiring connectivity linkages, resources, and services, including the acquisition of hardware and software, for use by

teachers, students and school library media personnel in the classroom or in school library media centers, in order to improve student learning to ensure that students in schools will have meaningful access on a regular basis to such linkages, resources and services;

''(14) providing ongoing professional development in the integration of quality educational technologies into school curriculum and long-term planning for implementing educational technologies;

''(15) acquiring connectivity with wide area networks for purposes of accessing information and educational programming sources, particularly with institutions of higher education and public libraries;

''(16) providing educational services for adults and families;

''(17) demonstrations relating to the planning and evaluations of the effectiveness of projects under which local educational agencies or schools contract with private management organizations to reform a school or schools; and

''(18) other programs and projects that meet the purposes of this section.

''(c) AWARDS.—

''(1) IN GENERAL.—The Secretary may—

''(A) make awards under this section on the basis of competitions announced by the Secretary; and

''(B) support meritorious unsolicited proposals.

''(2) SPECIAL RULE.—The Secretary shall ensure that programs, projects, and activities supported under this section are designed so that the effectiveness of such programs, projects, and activities is readily ascertainable.

''(3) PEER REVIEW.—The Secretary shall use a peer review process in reviewing applications for assistance under this section and may use funds appropriated under section 10801 for the cost of such peer review.

''SEC. 10502. PROMOTING SCHOLAR-ATHLETE COMPETITIONS.

''(a) IN GENERAL.—The Secretary is authorized to award a grant to a nonprofit organization to reimburse such organization for the costs of conducting scholar-athlete games.

''(b) PRIORITY.—In awarding the grant under subsection (a), the Secretary shall give priority to a nonprofit organization that—

''(1) is described in section 501(c)(3) of, and exempt from taxation under section 501(a) of, the Internal Revenue Code of 1986, and is affiliated with a university capable of hosting a large educational, cultural, and athletic event that will serve as a national model;

''(2) has the capability and experience in administering federally funded scholar-athlete games;

''(3) has the ability to provide matching funds, on a dollar-for-dollar basis, from foundations and the private sector for the purpose of conducting a scholar-athlete program;

''(4) has the organizational structure and capability to administer a model scholar-athlete program; and

''(5) has the organizational structure and expertise to replicate the scholar-athlete program in various venues throughout the United States internationally.

''Subpart 2—Star Schools Program

''SEC. 10551. SHORT TITLE.

''This subpart may be cited as the 'Star Schools Act'.

''SEC. 10552. FINDINGS.

''Congress finds that—

''(1) the Star Schools program has helped to encourage the use of distance learning strategies to serve multistate regions primarily by means of satellite and broadcast television;

''(2) in general, distance learning programs have been used effectively to provide students in small, rural, and isolated schools with courses and instruction, such as science and foreign language instruction, that the local educational agency is not otherwise able to provide; and

''(3) distance learning programs may also be used to—

''(A) provide students of all ages in all types of schools and educational settings with greater access to high-quality instruction in the full range of core academic subjects that will enable such students to meet challenging, internationally competitive, educational standards;

''(B) expand professional development opportunities for teachers;

''(C) contribute to achievement of the National Education Goals; and

''(D) expand learning opportunities for everyone.

''SEC. 10553. PURPOSE.

''It is the purpose of this subpart to encourage improved instruction in mathematics, science, and foreign languages as well as other subjects, such as literacy skills and vocational education, and to serve underserved populations, including the disadvantaged, illiterate, limited English proficient, and individuals with disabilities, through a Star Schools program under which grants are made to eligible telecommunication partnerships to enable such partnerships to—

''(1) develop, construct, acquire, maintain, and operate telecommunications audio and visual facilities and equipment;

''(2) develop and acquire educational and instructional programming; and

''(3) obtain technical assistance for the use of such facilities and instructional programming.

''SEC. 10554. GRANTS AUTHORIZED.

''(a) AUTHORITY.—The Secretary, through the Office of Educational Technology, is authorized to make grants, in accordance with the provisions of this subpart, to eligible entities to pay the Federal share of the cost of—

''(1) the development, construction, acquisition, maintenance, and operation of telecommunications facilities and equipment;

''(2) the development and acquisition of live, interactive instructional programming;

''(3) the development and acquisition of preservice and inservice teacher training programs based on established research regarding teacher-to-teacher mentoring, effective skill transfer, and ongoing, in-class instruction;

''(4) the establishment of teleconferencing facilities and resources for making interactive training available to teachers;

''(5) obtaining technical assistance; and

''(6) the coordination of the design and connectivity of telecommunications networks to reach the greatest number of schools.

''(b) DURATION.—

''(1) IN GENERAL.—The Secretary shall award grants pursuant to subsection (a) for a period of 5 years.

''(2) RENEWAL.—Grants awarded pursuant to subsection (a) may be renewed for 1 additional 3-year period.

''(c) AVAILABILITY OF FUNDS.—Funds made available to carry out this subpart shall remain available until expended.

''(d) LIMITATIONS.—

''(1) IN GENERAL.—A grant under this section shall not exceed—

(A) 5 years in duration; or

(B) $10,000,000 in any 1 fiscal year.

''(2) INSTRUCTIONAL PROGRAMMING.—Not less than 25 percent of the funds available to the Secretary in any fiscal year under this subpart shall be used for the cost of instructional programming.

''(3) SPECIAL RULE.—Not less than 50 percent of the funds available in any fiscal year under this subpart shall be used for the cost of facilities, equipment, teacher training or retraining, technical assistance, or programming, for local educational agencies which are eligible to receive assistance under part A of title I.

''(e) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share of the cost of projects funded under this section shall not exceed—

''(A) 75 percent for the first and second years for which an eligible telecommunications partnership receives a grant under this subpart;

''(B) 60 percent for the third and fourth such years; and

''(C) 50 percent for the fifth such year.

''(2) REDUCTION OR WAIVER.—The Secretary may reduce or waive the requirement of the non-Federal share under paragraph (1) upon a showing of financial hardship.

''(f) AUTHORITY TO ACCEPT FUNDS FROM OTHER AGENCIES.—The Secretary is authorized to accept funds from other Federal departments or agencies to carry out the purposes of this section, including funds for the purchase of equipment.

''(g) COORDINATION.—The Department, the National Science Foundation, the Department of Agriculture, the Department of Commerce, and any other Federal department or agency operating a telecommunications network for educational purposes, shall coordinate the activities assisted under this subpart with the activities of such department or agency relating to a telecommunications network for educational purposes.

''(h) CLOSED CAPTIONING AND DESCRIPTIVE VIDEO.—Each entity receiving funds under this subpart is encouraged to provide—

''(1) closed captioning of the verbal content of such program, where appropriate, to be broadcast by way of line 21 of the vertical blanking interval, or by way of comparable successor technologies; and

''(2) descriptive video of the visual content of such program, as appropriate.

''SEC. 10555. ELIGIBLE ENTITIES.

''(a) ELIGIBLE ENTITIES.—

''(1) REQUIRED PARTICIPATION.—The Secretary may make a grant under section 10554 to any eligible entity, if at least 1 local educational agency is participating in the proposed project.

''(2) ELIGIBLE ENTITY.—For the purpose of this subpart, the term 'eligible entity' may include—

''(A) a public agency or corporation established for the purpose of developing and operating telecommunications networks to enhance educational opportunities provided by educational institutions, teacher training centers, and other entities, except that any such agency or corporation shall represent the interests of elementary schools and secondary schools that are eligible to participate in the program under part A of title I; or

''(B) a partnership that will provide telecommunications services and which includes 3 or more of the following entities, at least 1 of which shall be an agency described in clause (i) or (ii):

''(i) a local educational agency that serves a significant number of elementary schools

and secondary schools that are eligible for assistance under part A of title I, or elementary schools and secondary schools operated or funded for Indian children by the Department of the Interior eligible under section 1121(c)(1)(A);

''(ii) a State educational agency;

''(iii) adult and family education programs;

''(iv) an institution of higher education or a State higher education agency;

''(v) a teacher training center or academy that—

''(I) provides teacher preservice and inservice training; and

''(II) receives Federal financial assistance or has been approved by a State agency;

''(vi)(I) a public or private entity with experience and expertise in the planning and operation of a telecommunications network, including entities involved in telecommunications through satellite, cable, telephone, or computer; or

''(II) a public broadcasting entity with such experience; or

''(vii) a public or private elementary school or secondary school.

''(b) SPECIAL RULE.—An eligible entity receiving assistance under this subpart shall be organized on a statewide or multistate basis.

''SEC. 10556. APPLICATIONS.

''(a) APPLICATIONS REQUIRED.—Each eligible entity which desires to receive a grant under section 10554 shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

''(b) STAR SCHOOL AWARD APPLICATION.—Each application submitted pursuant to subsection (a) shall—

''(1) describe how the proposed project will assist in achieving the National Education Goals, how such project will assist all students to have an opportunity to learn to challenging State standards, how such project will assist State and local educational reform efforts, and how such project will contribute to creating a high-quality system of lifelong learning;

''(2) describe the telecommunications facilities and equipment and technical assistance for which assistance is sought, which may include—

''(A) the design, development, construction, acquisition, maintenance, and operation of State or multistate educational telecommunications networks and technology resource centers;

''(B) microwave, fiber optics, cable, and satellite transmission equipment or any combination thereof;

''(C) reception facilities;

''(D) satellite time;

''(E) production facilities;

''(F) other telecommunications equipment capable of serving a wide geographic area;

''(G) the provision of training services to instructors who will be using the facilities and equipment for which assistance is sought, including training in using such facilities and equipment and training in integrating programs into the classroom curriculum; and

''(H) the development of educational and related programming for use on a telecommunications network;

''(3) in the case of an application for assistance for instructional programming, describe the types of programming which will be developed to enhance instruction and training and provide assurances that such programming will be designed in consultation with professionals (including classroom teachers) who are experts in the applicable subject matter and grade level;

''(4) describe how the eligible entity has engaged in sufficient survey and analysis of the area to be served to ensure that the services offered by the eligible entity will increase the availability of courses of instruction in English, mathematics, science, foreign languages, arts, history, geography, or other disciplines;

''(5) describe the professional development policies for teachers and other school personnel to be implemented to ensure the effective use of the telecommunications facilities and equipment for which assistance is sought;

''(6) describe the manner in which historically underserved students (such as students from low-income families, limited English proficient students, students with disabilities, or students who have low literacy skills) and their families, will participate in the benefits of the telecommunications facilities, equipment, technical assistance, and programming assisted under this subpart;

''(7) describe how existing telecommunications equipment, facilities, and services, where available, will be used;

''(8) provide assurances that the financial interest of the United States in the telecommunications facilities and equipment will be protected for the useful life of such facilities and equipment;

''(9) provide assurances that a significant portion of any facilities and equipment, technical assistance, and programming for which assistance is sought for elementary schools and secondary schools will be made available to schools or local educational agencies that have a high number or percentage of children eligible to be counted under part A of title I;

''(10) provide assurances that the applicant will use the funds provided under this subpart to supplement and not supplant funds otherwise available for the purposes of this subpart;

''(11) describe how funds received under this subpart will be coordinated with funds received for educational technology in the classroom;

''(12) describe the activities or services for which assistance is sought, such as—

''(A) providing facilities, equipment, training services, and technical assistance;

''(B) making programs accessible to students with disabilities through mechanisms such as closed captioning and descriptive video services;

''(C) linking networks around issues of national importance (such as elections) or to provide information about employment opportunities, job training, or student and other social service programs;

''(D) sharing curriculum resources between networks and development of program guides which demonstrate cooperative, cross-network listing of programs for specific curriculum areas;

''(E) providing teacher and student support services including classroom and training support materials which permit student and teacher involvement in the live interactive distance learning telecasts;

''(F) incorporating community resources such as libraries and museums into instructional programs;

''(G) providing professional development for teachers, including, as appropriate, training to early childhood development and Head Start teachers and staff and vocational education teachers and staff, and adult and family educators;

''(H) providing programs for adults to maximize the use of telecommunications facilities and equipment;

''(I) providing teacher training on proposed or established voluntary national content standards in mathematics and science and other disciplines as such standards are developed; and

''(J) providing parent education programs during and after the regular school day which reinforce a student's course of study and actively involve parents in the learning process;

''(13) describe how the proposed project as a whole will be financed and how arrangements for future financing will be developed before the project expires;

''(14) provide an assurance that a significant portion of any facilities, equipment, technical assistance, and programming for which assistance is sought for elementary schools and secondary schools will be made available to schools in local educational agencies that have a high percentage of children counted for the purpose of part A of title I;

''(15) provide an assurance that the applicant will provide such information and cooperate in any evaluation that the Secretary may conduct under this subpart; and

''(16) include such additional assurances as the Secretary may reasonably require.

''(c) PRIORITIES.—The Secretary, in approving applications for grants authorized under section 10554, shall give priority to applications describing projects that—

''(1) propose high-quality plans to assist in achieving 1 or more of the National Education Goals, will provide instruction consistent with State content standards, or will otherwise provide significant and specific assistance to States and local educational agencies undertaking systemic education reform;

''(2) will provide services to programs serving adults, especially parents, with low levels of literacy;

''(3) will serve schools with significant numbers of children counted for the purposes of part A of title I;

''(4) ensure that the eligible entity will—

''(A) serve the broadest range of institutions, programs providing instruction outside of the school setting, programs serving adults, especially parents, with low levels of literacy, institutions of higher education, teacher training centers, research institutes, and private industry;

''(B) have substantial academic and teaching capabilities, including the capability of training, retraining, and inservice upgrading of teaching skills and the capability to provide professional development;

''(C) provide a comprehensive range of courses for educators to teach instructional strategies for students with different skill levels;

''(D) provide training to participating educators in ways to integrate telecommunications courses into existing school curriculum;

''(E) provide instruction for students, teachers, and parents;

''(F) serve a multistate area; and

''(G) give priority to the provision of equipment and linkages to isolated areas; and

''(5) involve a telecommunications entity (such as a satellite, cable, telephone, computer, or public or private television stations) participating in the eligible entity and donating equipment or in-kind services for telecommunications linkages.

''(d) GEOGRAPHIC DISTRIBUTION.—In approving applications for grants authorized under

section 10554, the Secretary shall, to the extent feasible, ensure an equitable geographic distribution of services provided under this subpart.

"SEC. 10557. LEADERSHIP AND EVALUATION.

''(a) RESERVATION.—From the amount made available to carry out this subpart in each fiscal year, the Secretary may reserve not more than 5 percent of such amount for national leadership, evaluation, and peer review activities.

''(b) METHOD OF FUNDING.—The Secretary may fund the activities described in subsection (a) directly or through grants, contracts, and cooperative agreements.

''(c) USES OF FUNDS.—

''(1) LEADERSHIP.—Funds reserved for leadership activities under subsection (a) may be used for—

''(A) disseminating information, including lists and descriptions of services available from grant recipients under this subpart; and

''(B) other activities designed to enhance the quality of distance learning activities nationwide.

''(2) EVALUATION.—Funds reserved for evaluation activities under subsection (a) may be used to conduct independent evaluations of the activities assisted under this subpart and of distance learning in general, including—

''(A) analyses of distance learning efforts, including such efforts that are assisted under this subpart and such efforts that are not assisted under this subpart; and

''(B) comparisons of the effects, including student outcomes, of different technologies in distance learning efforts.

''(3) PEER REVIEW.—Funds reserved for peer review activities under subsection (a) may be used for peer review of—

''(A) applications for grants under this subpart; and

''(B) activities assisted under this subpart.

"SEC. 10558. DEFINITIONS.

''In this subpart:

''(1) EDUCATIONAL INSTITUTION.—The term 'educational institution' means an institution of higher education, a local educational agency, or a State educational agency.

''(2) INSTRUCTIONAL PROGRAMMING.—The term 'instructional programming' means courses of instruction and training courses for elementary and secondary students, teachers, and others, and materials for use in such instruction and training that have been prepared in audio and visual form on tape, disc, film, or live, and presented by means of telecommunications devices.

''(3) PUBLIC BROADCASTING ENTITY.—The term 'public broadcasting entity' has the same meaning given such term in section 397 of the Communications Act of 1934.

"SEC. 10559. ADMINISTRATIVE PROVISIONS.

''(a) CONTINUING ELIGIBILITY.—

''(1) IN GENERAL.—In order to be eligible to receive a grant under section 10554 for a second 3-year grant period an eligible entity shall demonstrate in the application submitted pursuant to section 10556 that such partnership shall—

''(A) continue to provide services in the subject areas and geographic areas assisted with funds received under this subpart for the previous 5-year grant period; and

''(B) use all grant funds received under this subpart for the second 3-year grant period to provide expanded services by—

''(i) increasing the number of students, schools, or school districts served by the courses of instruction assisted under this part in the previous fiscal year;

''(ii) providing new courses of instruction; and

''(iii) serving new populations of underserved individuals, such as children or adults who are disadvantaged, have limited English proficiency, are individuals with disabilities, are illiterate, or lack secondary school diplomas or their recognized equivalent.

''(2) SPECIAL RULE.—Grant funds received pursuant to paragraph (1) shall be used to supplement and not supplant services provided by the grant recipient under this subpart in the previous fiscal year.

''(b) FEDERAL ACTIVITIES.—The Secretary may assist grant recipients under section 10554 in acquiring satellite time, where appropriate, as economically as possible.

"SEC. 10560. OTHER ASSISTANCE.

''(a) SPECIAL STATEWIDE NETWORK.—

''(1) IN GENERAL.—The Secretary, through the Office of Educational Technology, may provide assistance to a statewide telecommunications network under this subsection if such network—

''(A) provides 2-way full motion interactive video and audio communications;

''(B) links together public colleges and universities and secondary schools throughout the State; and

''(C) meets any other requirements determined appropriate by the Secretary.

''(2) STATE CONTRIBUTION.—A statewide telecommunications network assisted under paragraph (1) shall contribute, either directly or through private contributions, non-Federal funds equal to not less than 50 percent of the cost of such network.

''(b) SPECIAL LOCAL NETWORK.—

''(1) IN GENERAL.—The Secretary may provide assistance, on a competitive basis, to a local educational agency or consortium thereof to enable such agency or consortium to establish a high technology demonstration program.

''(2) PROGRAM REQUIREMENTS.—A high technology demonstration program assisted under paragraph (1) shall—

''(A) include 2-way full motion interactive video, audio, and text communications;

''(B) link together elementary schools and secondary schools, colleges, and universities;

''(C) provide parent participation and family programs;

''(D) include a staff development program; and

''(E) have a significant contribution and participation from business and industry.

''(3) MATCHING REQUIREMENT.—A local educational agency or consortium receiving a grant under paragraph (1) shall provide, either directly or through private contributions, non-Federal matching funds equal to not less than 50 percent of the amount of the grant.

''(c) TELECOMMUNICATIONS PROGRAMS FOR CONTINUING EDUCATION.—

''(1) AUTHORITY.—The Secretary is authorized to award grants, on a competitive basis, to eligible entities to develop and operate 1 or more programs which provide online access to educational resources in support of continuing education and curriculum requirements relevant to achieving a secondary school diploma or its recognized equivalent. The program authorized by this section shall be designed to advance adult literacy, secondary school completion, and the acquisition of specified competency by the end of the 12th grade.

''(2) APPLICATION.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary. Each such application shall—

''(A) demonstrate that the applicant will use publicly funded or free public telecommunications infrastructure to deliver video, voice, and data in an integrated service to support and assist in the acquisition of a secondary school diploma or its recognized equivalent;

''(B) assure that the content of the materials to be delivered is consistent with the accreditation requirements of the State for which such materials are used;

''(C) incorporate, to the extent feasible, materials developed in the Federal departments and agencies and under appropriate federally funded projects and programs;

''(D) assure that the applicant has the technological and substantive experience to carry out the program; and

''(E) contain such additional assurances as the Secretary may reasonably require.

"Subpart 3—Arts in Education

"SEC. 10571. FINDINGS AND PURPOSE.

''(a) FINDINGS.—Congress finds that—

''(1) the arts are forms of understanding and ways of knowing that are fundamentally important to education;

''(2) the arts are important to excellent education and to effective school reform;

''(3) the most significant contribution of the arts to education reform is the transformation of teaching and learning;

''(4) such transformation is best realized in the context of comprehensive, systemic education reform;

''(5) participation in performing arts activities has proven to be an effective strategy for promoting the inclusion of persons with disabilities in mainstream settings;

''(6) opportunities in the arts have enabled persons of all ages with disabilities to participate more fully in school and community activities;

''(7) the arts can motivate at-risk students to stay in school and become active participants in the educational process; and

''(8) arts education should be an integral part of the elementary school and secondary school curriculum.

''(b) PURPOSES.—The purposes of this section are to—

''(1) support systemic education reform by strengthening arts education as an integral part of the elementary school and secondary school curriculum;

''(2) help ensure that all students have the opportunity to learn to challenging State content standards and challenging State student performance standards in the arts; and

''(3) support the national effort to enable all students to demonstrate competence in the arts.

''(c) ELIGIBLE RECIPIENTS.—In order to carry out the purposes of this section, the Secretary is authorized to award grants to, or enter into contracts or cooperative agreements with—

''(1) State educational agencies;

''(2) local educational agencies;

''(3) institutions of higher education;

''(4) museums and other cultural institutions; and

''(5) other public and private agencies, institutions, and organizations.

''(d) AUTHORIZED ACTIVITIES.—Funds under this section may be used for—

''(1) research on arts education;

''(2) the development of, and dissemination of information about, model arts education programs;

''(3) the development of model arts education assessments based on high standards;

''(4) the development and implementation of curriculum frameworks for arts education;

''(5) the development of model preservice and inservice professional development programs for arts educators and other instructional staff;

''(6) supporting collaborative activities with other Federal agencies or institutions

involved in arts education, such as the National Endowment for the Arts, the Institute of Museum and Library Services, the John F. Kennedy Center for the Performing Arts, VSA Arts, and the National Gallery of Art;

''(7) supporting model projects and programs in the performing arts for children and youth through arrangements made with the John F. Kennedy Center for the Performing Arts;

''(8) supporting model projects and programs by VSA Arts which assure the participation in mainstream settings in arts and education programs of individuals with disabilities;

''(9) supporting model projects and programs to integrate arts education into the regular elementary school and secondary school curriculum; and

''(10) other activities that further the purposes of this section.

''(e) COORDINATION.—

''(1) IN GENERAL.—A recipient of funds under this section shall, to the extent possible, coordinate projects assisted under this section with appropriate activities of public and private cultural agencies, institutions, and organizations, including museums, arts education associations, libraries, and theaters.

''(2) SPECIAL RULE.—In carrying out this section, the Secretary shall coordinate with the National Endowment for the Arts, the Institute of Museum and Library Services, the John F. Kennedy Center for the Performing Arts, VSA Arts, and the National Gallery of Art.

''(f) SPECIAL RULE.—If the amount made available to the Secretary to carry out this subpart for any fiscal year is $15,000,000 or less, then such amount shall only be available to carry out the activities described in paragraphs (7) and (8) of subsection (d).

"Subpart 4—School Counseling

"SEC. 10601. ELEMENTARY SCHOOL AND SECONDARY SCHOOL COUNSELING DEMONSTRATION.

''(a) COUNSELING DEMONSTRATION.—

''(1) IN GENERAL.—The Secretary may award grants under this section to local educational agencies to enable the local educational agencies to establish or expand elementary school and secondary school counseling programs.

''(2) PRIORITY.—In awarding grants under this section, the Secretary shall give special consideration to applications describing programs that—

''(A) demonstrate the greatest need for new or additional counseling services among the children in the schools served by the applicant;

''(B) propose the most promising and innovative approaches for initiating or expanding school counseling; and

''(C) show the greatest potential for replication and dissemination.

''(3) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall ensure an equitable geographic distribution among the regions of the United States and among urban, suburban, and rural areas.

''(4) DURATION.—A grant under this section shall be awarded for a period not to exceed three years.

''(5) MAXIMUM GRANT.—A grant under this section shall not exceed $400,000 for any fiscal year.

''(b) APPLICATIONS.—

''(1) IN GENERAL.—Each local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(2) CONTENTS.—Each application for a grant under this section shall—

''(A) describe the school population to be targeted by the program, the particular personal, social, emotional, educational, and career development needs of such population, and the current school counseling resources available for meeting such needs;

''(B) describe the activities, services, and training to be provided by the program and the specific approaches to be used to meet the needs described in subparagraph (A);

''(C) describe the methods to be used to evaluate the outcomes and effectiveness of the program;

''(D) describe the collaborative efforts to be undertaken with institutions of higher education, businesses, labor organizations, community groups, social service agencies, and other public or private entities to enhance the program and promote school-linked services integration;

''(E) describe collaborative efforts with institutions of higher education which specifically seek to enhance or improve graduate programs specializing in the preparation of school counselors, school psychologists, and school social workers;

''(F) document that the applicant has the personnel qualified to develop, implement, and administer the program;

''(G) describe how any diverse cultural populations, if applicable, would be served through the program;

''(H) assure that the funds made available under this subpart for any fiscal year will be used to supplement and, to the extent practicable, increase the level of funds that would otherwise be available from non-Federal sources for the program described in the application, and in no case supplant such funds from non-Federal sources; and

''(I) assure that the applicant will appoint an advisory board composed of parents, school counselors, school psychologists, school social workers, other pupil services personnel, teachers, school administrators, and community leaders to advise the local educational agency on the design and implementation of the program.

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—From amounts made available to carry out this section, the Secretary shall award grants to local education agencies to be used to initiate or expand elementary or secondary school counseling programs that comply with the requirements of paragraph (2).

''(2) PROGRAM REQUIREMENTS.—Each program assisted under this section shall—

''(A) be comprehensive in addressing the personal, social, emotional, and educational needs of all students;

''(B) use a developmental, preventive approach to counseling;

''(C) increase the range, availability, quantity, and quality of counseling services in the schools of the local educational agency;

''(D) expand counseling services only through qualified school counselors, school psychologists, and school social workers;

''(E) use innovative approaches to increase children's understanding of peer and family relationships, work and self, decision-making, or academic and career planning, or to improve social functioning;

''(F) provide counseling services that are well-balanced among classroom group and small group counseling, individual counseling, and consultation with parents, teachers, administrators, and other pupil services personnel;

''(G) include inservice training for school counselors, school social workers, school psychologists, other pupil services personnel, teachers, and instructional staff;

''(H) involve parents of participating students in the design, implementation, and evaluation of a counseling program;

''(I) involve collaborative efforts with institutions of higher education, businesses, labor organizations, community groups, social service agencies, or other public or private entities to enhance the program and promote school-linked services integration; and

''(J) evaluate annually the effectiveness and outcomes of the counseling services and activities assisted under this section.

''(3) REPORT.—The Secretary shall issue a report evaluating the programs assisted pursuant to each grant under this subpart at the end of each grant period.

''(4) DISSEMINATION.—The Secretary shall make the programs assisted under this section available for dissemination, either through the National Diffusion Network or other appropriate means.

''(5) LIMIT ON ADMINISTRATION.—Not more than 5 percent of the amounts made available under this section in any fiscal year shall be used for administrative costs to carry out this section.

''(d) DEFINITIONS.—For purposes of this section:

''(1) SCHOOL COUNSELOR.—The term 'school counselor' means an individual who has documented competence in counseling children and adolescents in a school setting and who—

''(A) possesses State licensure or certification granted by an independent professional regulatory authority;

''(B) in the absence of such State licensure or certification, possesses national certification in school counseling or a specialty of counseling granted by an independent professional organization; or

''(C) holds a minimum of a master's degree in school counseling from a program accredited by the Council for Accreditation of Counseling and Related Educational Programs or the equivalent.

''(2) SCHOOL PSYCHOLOGIST.—The term 'school psychologist' means an individual who—

''(A) possesses a minimum of 60 graduate semester hours in school psychology from an institution of higher education and has completed 1,200 clock hours in a supervised school psychology internship, of which 600 hours shall be in the school setting;

''(B) possesses State licensure or certification in the State in which the individual works; or

''(C) in the absence of such State licensure or certification, possesses national certification by the National School Psychology Certification Board.

''(3) SCHOOL SOCIAL WORKER.—The term 'school social worker' means an individual who—

''(A)(i) holds a master's degree in social work from a program accredited by the Council on Social Work Education; and

''(ii) is licensed or certified by the State in which services are provided; or

''(B) in the absence of such licensure or certification, possesses a national certification or credential as a school social work specialist that has been awarded by an independent professional organization.

''(4) SUPERVISOR.—The term 'supervisor' means an individual who has the equivalent number of years of professional experience in such individual's respective discipline as is

required of teaching experience for the supervisor or administrative credential in the State of such individual.

"SEC. 10602. SPECIAL RULE.

''For any fiscal year in which the amount made available to carry out this subpart is at least $60,000,000, then at least $60,000,000 shall be made available in such fiscal year to establish or expand elementary school counseling programs.

"Subpart 5—Partnerships in Character Education

"SEC. 10651. SHORT TITLE.

''This subpart may be cited as the 'Strong Character for Strong Schools Act'.

"SEC. 10652. PARTNERSHIPS IN CHARACTER EDUCATION PROGRAM.

''(a) PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized to award grants to eligible entities for the design and implementation of character education programs that may incorporate the elements of character described in subsection (d).

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) a State educational agency in partnership with 1 or more local educational agencies;

''(B) a State educational agency in partnership with—

''(i) one or more local educational agencies; and

''(ii) one or more nonprofit organizations or entities, including institutions of higher education;

''(C) a local educational agency or consortium of local educational agencies; or

''(D) a local educational agency in partnership with another nonprofit organization or entity, including institutions of higher education.

''(3) DURATION.—Each grant under this section shall be awarded for a period not to exceed 3 years, of which the eligible entity shall not use more than 1 year for planning and program design.

''(4) AMOUNT OF GRANTS FOR STATE EDUCATIONAL AGENCIES.—Subject to the availability of appropriations, the amount of grant made by the Secretary to a State educational agency in a partnership described in subparagraph (A) or (B) of paragraph (2), that submits an application under subsection (b) and that meets such requirements as the Secretary may establish under this section, shall not be less than $500,000.

''(b) APPLICATIONS.—

''(1) REQUIREMENT.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

''(2) CONTENTS OF APPLICATION.—Each application submitted under this section shall include—

''(A) a description of any partnerships or collaborative efforts among the organizations and entities of the eligible entity;

''(B) a description of the goals and objectives of the program proposed by the eligible entity;

''(C) a description of activities that will be pursued and how those activities will contribute to meeting the goals and objectives described in subparagraph (B), including—

''(i) how parents, students (including students with physical and mental disabilities), and other members of the community, including members of private and nonprofit organizations, will be involved in the design and implementation of the program and how the eligible entity will work with the larger community to increase the reach and promise of the program;

''(ii) curriculum and instructional practices that will be used or developed;

''(iii) methods of teacher training and parent education that will be used or developed; and

''(iv) how the program will be linked to other efforts in the schools to improve student performance;

''(D) in the case of an eligible entity that is a State educational agency—

''(i) a description of how the State educational agency will provide technical and professional assistance to its local educational agency partners in the development and implementation of character education programs; and

''(ii) a description of how the State educational agency will assist other interested local educational agencies that are not members of the original partnership in designing and establishing character education programs;

''(E) a description of how the eligible entity will evaluate the success of its program—

''(i) based on the goals and objectives described in subparagraph (B); and

''(ii) in cooperation with the national evaluation conducted pursuant to subsection (c)(2)(B)(iii);

''(F) an assurance that the eligible entity annually will provide to the Secretary such information as may be required to determine the effectiveness of the program; and

''(G) any other information that the Secretary may require.

''(c) EVALUATION AND PROGRAM DEVELOPMENT.—

''(1) EVALUATION AND REPORTING.—

''(A) STATE AND LOCAL REPORTING AND EVALUATION.—Each eligible entity receiving a grant under this section shall submit to the Secretary a comprehensive evaluation of the program assisted under this section, including the impact on students (including students with physical and mental disabilities), teachers, administrators, parents, and others—

''(i) by the second year of the program; and

''(ii) not later than 1 year after completion of the grant period.

''(B) CONTRACTS FOR EVALUATION.—Each eligible entity receiving a grant under this section may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for purposes of evaluating its program and measuring the success of the program toward fostering character in students.

''(2) NATIONAL RESEARCH, DISSEMINATION, AND EVALUATION.—

''(A) IN GENERAL.—The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, State or local educational agencies, institutions of higher education, tribal organizations, or other public or private agencies or organizations to carry out research, development, dissemination, technical assistance, and evaluation activities that support or inform State and local character education programs. The Secretary shall reserve not more than 5 percent of the funds made available under this section to carry out this paragraph.

''(B) USES.—Funds made available under subparagraph (A) may be used—

''(i) to conduct research and development activities that focus on matters such as—

''(I) the effectiveness of instructional models for all students, including students with physical and mental disabilities;

''(II) materials and curricula that can be used by programs in character education;

''(III) models of professional development in character education; and

''(IV) the development of measures of effectiveness for character education programs which may include the factors described in paragraph (3);

''(ii) to provide technical assistance to State and local programs, particularly on matters of program evaluation;

''(iii) to conduct a national evaluation of State and local programs receiving funding under this section; and

''(iv) to compile and disseminate, through various approaches (such as a national clearinghouse)—

''(I) information on model character education programs;

''(II) character education materials and curricula;

''(III) research findings in the area of character education and character development; and

''(IV) any other information that will be useful to character education program participants, educators, parents, administrators, and others nationwide.

''(C) PRIORITY.—In carrying out national activities under this paragraph related to development, dissemination, and technical assistance, the Secretary shall seek to enter into partnerships with national, nonprofit character education organizations with expertise and successful experience in implementing local character education programs that have had an effective impact on schools, students (including students with disabilities), and teachers.

''(3) FACTORS.—Factors which may be considered in evaluating the success of programs funded under this section may include—

''(A) discipline issues;

''(B) student performance;

''(C) participation in extracurricular activities;

''(D) parental and community involvement;

''(E) faculty and administration involvement;

''(F) student and staff morale; and

''(G) overall improvements in school climate for all students, including students with physical and mental disabilities.

''(d) ELEMENTS OF CHARACTER.—Each eligible entity desiring funding under this section shall develop character education programs that may incorporate elements of character such as—

''(1) caring;

''(2) civic virtue and citizenship;

''(3) justice and fairness;

''(4) respect;

''(5) responsibility;

''(6) trustworthiness; and

''(7) any other elements deemed appropriate by the members of the eligible entity.

''(e) USE OF FUNDS BY STATE EDUCATIONAL AGENCY RECIPIENTS.—Of the total funds received in any fiscal year under this section by an eligible entity that is a State educational agency—

''(1) not more than 10 percent of such funds may be used for administrative purposes; and

''(2) the remainder of such funds may be used for—

''(A) collaborative initiatives with and between local educational agencies and schools;

''(B) the preparation or purchase of materials, and teacher training;

''(C) grants to local educational agencies, schools, or institutions of higher education; and

''(D) technical assistance and evaluation.

''(f) SELECTION OF GRANTEES.—

''(1) CRITERIA.—The Secretary shall select, through peer review, eligible entities to receive grants under this section on the basis of the quality of the applications submitted under subsection (b), taking into consideration such factors as—

''(A) the quality of the activities proposed to be conducted;

''(B) the extent to which the program fosters character in students and the potential for improved student performance;

''(C) the extent and ongoing nature of parental, student, and community involvement;

''(D) the quality of the plan for measuring and assessing success; and

''(E) the likelihood that the goals of the program will be realistically achieved.

''(2) DIVERSITY OF PROJECTS.—The Secretary shall approve applications under this section in a manner that ensures, to the extent practicable, that programs assisted under this section—

''(A) serve different areas of the Nation, including urban, suburban, and rural areas; and

''(B) serve schools that serve minorities, Native Americans, students of limited-English proficiency, disadvantaged students, and students with disabilities.

''(g) PARTICIPATION BY PRIVATE SCHOOL CHILDREN AND TEACHERS.—Grantees under this section shall provide, to the extent feasible and appropriate, for the participation of students and teachers in private elementary and secondary schools in programs and activities under this section.

''Subpart 6—Women's Educational Equity Act

''SEC. 10701. SHORT TITLE; FINDINGS.

''(a) SHORT TITLE.—This subpart may be cited as the 'Women's Educational Equity Act of 2001'.

''(b) FINDINGS.—Congress finds that—

''(1) since the enactment of title IX of the Education Amendments of 1972, women and girls have made strides in educational achievement and in their ability to avail themselves of educational opportunities;

''(2) because of funding provided under the Women's Educational Equity Act, more curricula, training, and other educational materials concerning educational equity for women and girls are available for national dissemination;

''(3) teaching and learning practices in the United States are frequently inequitable as such practices relate to women and girls, for example—

''(A) sexual harassment, particularly that experienced by girls, undermines the ability of schools to provide a safe and equitable learning or workplace environment;

''(B) classroom textbooks and other educational materials do not sufficiently reflect the experiences, achievements, or concerns of women and, in most cases, are not written by women or persons of color;

''(C) girls do not take as many mathematics and science courses as boys, girls lose confidence in their mathematics and science ability as girls move through adolescence, and there are few women role models in the sciences; and

''(D) pregnant and parenting teenagers are at high risk for dropping out of school and existing dropout prevention programs do not adequately address the needs of such teenagers;

''(4) efforts to improve the quality of public education also must include efforts to ensure equal access to quality education programs for all women and girls;

''(5) Federal support should address not only research and development of innovative model curricula and teaching and learning strategies to promote gender equity, but should also assist schools and local communities implement gender equitable practices;

''(6) Federal assistance for gender equity must be tied to systemic reform, involve collaborative efforts to implement effective gender practices at the local level, and encourage parental participation; and

''(7) excellence in education, high educational achievements and standards, and the full participation of women and girls in American society, cannot be achieved without educational equity for women and girls.

''SEC. 10702. STATEMENT OF PURPOSES.

''It is the purpose of this subpart—

''(1) to promote gender equity in education in the United States;

''(2) to provide financial assistance to enable educational agencies and institutions to meet the requirements of title IX of the Educational Amendments of 1972; and

''(3) to promote equity in education for women and girls who suffer from multiple forms of discrimination based on sex, race, ethnic origin, limited English proficiency, disability, or age.

''SEC. 10703. PROGRAMS AUTHORIZED.

''(a) IN GENERAL.—The Secretary is authorized—

''(1) to promote, coordinate, and evaluate gender equity policies, programs, activities, and initiatives in all Federal education programs and offices;

''(2) to develop, maintain, and disseminate materials, resources, analyses, and research relating to education equity for women and girls;

''(3) to provide information and technical assistance to assure the effective implementation of gender equity programs;

''(4) to coordinate gender equity programs and activities with other Federal agencies with jurisdiction over education and related programs;

''(5) to assist the Assistant Secretary of the Office of Educational Research and Improvement in identifying research priorities related to education equity for women and girls; and

''(6) to perform any other activities consistent with achieving the purposes of this subpart.

''(b) GRANTS AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized to make grants to, and enter into contracts and cooperative agreements with, public agencies, private nonprofit agencies, organizations, institutions, student groups, community groups, and individuals, for a period not to exceed 4 years, to—

''(A) provide grants to develop model equity programs; and

''(B) provide funds for the implementation of equity programs in schools throughout the Nation.

''(2) SUPPORT AND TECHNICAL ASSISTANCE.—To achieve the purposes of this subpart, the Secretary is authorized to provide support and technical assistance—

''(A) to implement effective gender-equity policies and programs at all educational levels, including—

''(i) assisting educational agencies and institutions to implement policies and practices to comply with title IX of the Education Amendments of 1972;

''(ii) training for teachers, counselors, administrators, and other school personnel, especially preschool and elementary school personnel, in gender equitable teaching and learning practices;

''(iii) leadership training for women and girls to develop professional and marketable skills to compete in the global marketplace, improve self-esteem, and benefit from exposure to positive role models;

''(iv) school-to-work transition programs, guidance and counseling activities, and other programs to increase opportunities for women and girls to enter a technologically demanding workplace and, in particular, to enter highly skilled, high paying careers in which women and girls have been underrepresented;

''(v) enhancing educational and career opportunities for those women and girls who suffer multiple forms of discrimination, based on sex, and on race, ethnic origin, limited English proficiency, disability, socioeconomic status, or age;

''(vi) assisting pregnant students and students rearing children to remain in or to return to secondary school, graduate, and prepare their preschool children to start school;

''(vii) evaluating exemplary model programs to assess the ability of such programs to advance educational equity for women and girls;

''(viii) introduction into the classroom of textbooks, curricula, and other materials designed to achieve equity for women and girls;

''(ix) programs and policies to address sexual harassment and violence against women and girls and to ensure that educational institutions are free from threats to the safety of students and personnel;

''(x) nondiscriminatory tests of aptitude and achievement and of alternative assessments that eliminate biased assessment instruments from use;

''(xi) programs to increase educational opportunities, including higher education, vocational training, and other educational programs for low-income women, including underemployed and unemployed women, and women receiving assistance under a State program funded under part A of title IV of the Social Security Act;

''(xii) programs to improve representation of women in educational administration at all levels; and

''(xiii) planning, development, and initial implementation of—

''(I) comprehensive institutionwide or districtwide evaluation to assess the presence or absence of gender equity in educational settings;

''(II) comprehensive plans for implementation of equity programs in State and local educational agencies and institutions of higher education, including community colleges; and

''(III) innovative approaches to school-community partnerships for educational equity;

''(B) for research and development, which shall be coordinated with each of the research institutes of the Office of Educational Research and Improvement to avoid duplication of research efforts, designed to advance gender equity nationwide and to help make policies and practices in educational agencies and institutions, and local communities, gender equitable, including—

''(i) research and development of innovative strategies and model training programs for teachers and other education personnel;

''(ii) the development of high-quality and challenging assessment instruments that are nondiscriminatory;

''(iii) the development and evaluation of model curricula, textbooks, software, and other educational materials to ensure the absence of gender stereotyping and bias;

''(iv) the development of instruments and procedures that employ new and innovative strategies to assess whether diverse educational settings are gender equitable;

''(v) the development of instruments and strategies for evaluation, dissemination, and replication of promising or exemplary programs designed to assist local educational agencies in integrating gender equity in their educational policies and practices;

''(vi) updating high-quality educational materials previously developed through awards made under this subpart;

''(vii) the development of policies and programs to address and prevent sexual harassment and violence to ensure that educational institutions are free from threats to safety of students and personnel;

''(viii) the development and improvement of programs and activities to increase opportunity for women, including continuing educational activities, vocational education, and programs for low-income women, including underemployed and unemployed women, and women receiving assistance under the State program funded under part A of title IV of the Social Security Act; and

''(ix) the development of guidance and counseling activities, including career education programs, designed to ensure gender equity.

''SEC. 10704. APPLICATIONS.

''An application under this subpart shall—

''(1) set forth policies and procedures that will ensure a comprehensive evaluation of the activities assisted under this subpart, including an evaluation of the practices, policies, and materials used by the applicant and an evaluation or estimate of the continued significance of the work of the project following completion of the award period;

''(2) demonstrate how the applicant will address perceptions of gender roles based on cultural differences or stereotypes;

''(3) for applications for assistance under section 10703(b)(1), demonstrate how the applicant will foster partnerships and, where applicable, share resources with State educational agencies, local educational agencies, institutions of higher education, community-based organizations (including organizations serving women), parent, teacher, and student groups, businesses, or other recipients of Federal educational funding which may include State literacy resource centers;

''(4) for applications for assistance under section 10703(b)(1), demonstrate how parental involvement in the project will be encouraged; and

''(5) for applications for assistance under section 10703(b)(1), describe plans for continuation of the activities assisted under this subpart with local support following completion of the grant period and termination of Federal support under this subpart.

''SEC. 10705. CRITERIA AND PRIORITIES.

''(a) CRITERIA AND PRIORITIES.—

''(1) IN GENERAL.—The Secretary shall establish separate criteria and priorities for awards under paragraphs (1) and (2) of section 10703(b) to ensure that funds under this subpart are used for programs that most effectively will achieve the purposes of this part.

''(2) CRITERIA.—The criteria described in subsection (a) may include the extent to which the activities assisted under this part—

''(A) address the needs of women and girls of color and women and girls with disabilities;

''(B) meet locally defined and documented educational equity needs and priorities, including compliance with title IX of the Education Amendments of 1972;

''(C) are a significant component of a comprehensive plan for educational equity and compliance with title IX of the Education Amendments of 1972 in the particular school district, institution of higher education, vocational-technical institution, or other educational agency or institution; and

''(D) implement an institutional change strategy with long-term impact that will continue as a central activity of the applicant after the grant under this subpart has terminated.

''(b) PRIORITIES.—In approving applications under this subpart, the Secretary may give special consideration to applications—

''(1) submitted by applicants that have not received assistance under this subpart or this subpart's predecessor authorities;

''(2) for projects that will contribute significantly to directly improving teaching and learning practices in the local community; and

''(3) for projects that will—

''(A) provide for a comprehensive approach to enhancing gender equity in educational institutions and agencies;

''(B) draw on a variety of resources, including the resources of local educational agencies, community-based organizations, institutions of higher education, and private organizations;

''(C) implement a strategy with long-term impact that will continue as a central activity of the applicant after the grant under this subpart has terminated;

''(D) address issues of national significance that can be duplicated; and

''(E) address the educational needs of women and girls who suffer multiple or compound discrimination based on sex and on race, ethnic origin, disability, or age.

''(c) SPECIAL RULE.—To the extent feasible, the Secretary shall ensure that grants awarded under this subpart for each fiscal year address—

''(1) all levels of education, including preschool, elementary and secondary education, higher education, vocational education, and adult education;

''(2) all regions of the United States; and

''(3) urban, rural, and suburban educational institutions.

''(d) COORDINATION.—Research activities supported under this subpart—

''(1) shall be carried out in consultation with the Office of Educational Research and Improvement to ensure that such activities are coordinated with and enhance the research and development activities supported by the Office; and

''(2) may include collaborative research activities which are jointly funded and carried out with the Office of Educational Research and Improvement.

''(e) LIMITATION.—Nothing in this subpart shall be construed as prohibiting men and boys from participating in any programs or activities assisted with funds under this subpart.

''SEC. 10706. REPORT.

''The Secretary, not later than January 1, 2007, shall submit to the President and Congress a report on the status of educational equity for girls and women in the Nation.

''SEC. 10707. ADMINISTRATION.

''(a) EVALUATION AND DISSEMINATION.—The Secretary shall evaluate and disseminate materials and programs developed under this subpart and shall report to Congress regarding such evaluation materials and programs not later than January 1, 2006.

''(b) PROGRAM OPERATIONS.—The Secretary shall ensure that the activities assisted under this subpart are administered within the Department by a person who has recognized professional qualifications and experience in the field of gender equity education.

''SEC. 10708. AMOUNT.

''From amounts made available to carry out this subpart for a fiscal year, not less than ⅔ of such amount shall be used to carry out the activities described in section 10703(b)(1).

''Subpart 7—Physical Education for Progress

''SEC. 10751. SHORT TITLE.

''This subpart may be cited as the 'Physical Education for Progress Act'.

''SEC. 10752. PURPOSE.

''The purpose of this subpart is to award grants and contracts to local educational agencies to enable the local educational agencies to initiate, expand and improve physical education programs for all kindergarten through 12th grade students.

''SEC. 10753. FINDINGS.

''Congress makes the following findings:

''(1) Physical education is essential to the development of growing children.

''(2) Physical education helps improve the overall health of children by improving their cardiovascular endurance, muscular strength and power, and flexibility, and by enhancing weight regulation, bone development, posture, skillful moving, active lifestyle habits, and constructive use of leisure time.

''(3) Physical education helps improve the self esteem, interpersonal relationships, responsible behavior, and independence of children.

''(4) Children who participate in high quality daily physical education programs tend to be more healthy and physically fit.

''(5) The percentage of young people who are overweight has more than doubled in the 30 years preceding 1999.

''(6) Low levels of activity contribute to the high prevalence of obesity among children in the United States.

''(7) Obesity related diseases cost the United States economy more than $100,000,000,000 every year.

''(8) Inactivity and poor diet cause at least 300,000 deaths a year in the United States.

''(9) Physically fit adults have significantly reduced risk factors for heart attacks and stroke.

''(10) Children are not as active as they should be and fewer than one in four children get 20 minutes of vigorous activity every day of the week.

''(11) The Surgeon General's 1996 Report on Physical Activity and Health, and the Centers for Disease Control and Prevention, recommend daily physical education for all students in kindergarten through grade 12.

''(12) Twelve years after Congress passed House Concurrent Resolution 97, 100th Congress, agreed to December 11, 1987, encouraging State and local governments and local educational agencies to provide high quality daily physical education programs for all children in kindergarten through grade 12, little progress has been made.

''(13) Every student in our Nation's schools, from kindergarten through grade 12, should have the opportunity to participate in quality physical education. It is the unique role of quality physical education programs to develop the health-related fitness, physical competence, and cognitive understanding about physical activity for all students so that the students can adopt healthy and physically active lifestyles.

''SEC. 10754. PROGRAM AUTHORIZED.

''The Secretary is authorized to award grants to, and enter into contracts with, local educational agencies to pay the Federal share of the costs of initiating, expanding, and improving physical education programs for kindergarten through grade 12 students by—

''(1) providing equipment and support to enable students to actively participate in physical education activities; and

''(2) providing funds for staff and teacher training and education.

''SEC. 10755. APPLICATIONS; PROGRAM ELEMENTS.

''(a) APPLICATIONS.—Each local educational agency desiring a grant or contract under this subpart shall submit to the Secretary an application that contains a plan to initiate, expand, or improve physical education programs in the schools served by the agency in order to make progress toward meeting State standards for physical education.

''(b) PROGRAM ELEMENTS.—A physical education program described in any application submitted under subsection (a) may provide—

''(1) fitness education and assessment to help children understand, improve, or maintain their physical well-being;

''(2) instruction in a variety of motor skills and physical activities designed to enhance the physical, mental, and social or emotional development of every child;

''(3) development of cognitive concepts about motor skill and physical fitness that support a lifelong healthy lifestyle;

''(4) opportunities to develop positive social and cooperative skills through physical activity participation;

''(5) instruction in healthy eating habits and good nutrition; and

''(6) teachers of physical education the opportunity for professional development to stay abreast of the latest research, issues, and trends in the field of physical education.

''(c) SPECIAL RULE.—For the purpose of this subpart, extracurricular activities such as team sports and Reserve Officers' Training Corps (ROTC) program activities shall not be considered as part of the curriculum of a physical education program assisted under this subpart.

''SEC. 10756. PROPORTIONALITY.

''The Secretary shall ensure that grants awarded and contracts entered into under this subpart shall be equitably distributed between local educational agencies serving urban and rural areas, and between local educational agencies serving large and small numbers of students.

''SEC. 10757. PRIVATE SCHOOL STUDENTS AND HOME-SCHOOLED STUDENTS.

''An application for funds under this subpart may provide for the participation, in the activities funded under this subpart, of—

''(1) home-schooled children, and their parents and teachers; or

''(2) children enrolled in private nonprofit elementary schools or secondary schools, and their parents and teachers.

''SEC. 10758. REPORT REQUIRED FOR CONTINUED FUNDING.

''As a condition to continue to receive grant or contract funding after the first year of a multiyear grant or contract under this subpart, the administrator of the grant or contract for the local educational agency shall submit to the Secretary an annual report that describes the activities conducted during the preceding year and demonstrates that progress has been made toward meeting State standards for physical education.

''SEC. 10759. REPORT TO CONGRESS.

''The Secretary shall submit a report to Congress not later than June 1, 2003, that describes the programs assisted under this subpart, documents the success of such programs in improving physical fitness, and makes such recommendations as the Secretary determines appropriate for the continuation and improvement of the programs assisted under this subpart.

''SEC. 10760. ADMINISTRATIVE COSTS.

''Not more than 5 percent of the grant or contract funds made available to a local educational agency under this subpart for any fiscal year may be used for administrative costs.

''SEC. 10761. FEDERAL SHARE; SUPPLEMENT NOT SUPPLANT.

''(a) FEDERAL SHARE.—The Federal share under this subpart may not exceed—

''(1) 90 percent of the total cost of a project for the first year for which the project receives assistance under this subpart; and

''(2) 75 percent of such cost for the second and each subsequent such year.

''(b) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subpart shall be used to supplement and not supplant other Federal, State and local funds available for physical education activities.

''SEC. 10762. AVAILABILITY OF AMOUNTS.

''Amounts made available to the Secretary to carry out this subpart shall remain available until expended.

''Subpart 8—Authorization of Appropriations

''SEC. 10801. AUTHORIZATION OF APPROPRIATIONS.

''For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for fiscal year 2002 and for each of the 6 succeeding fiscal years.''.

SA 513. Mr. VOINOVICH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page ____, strike lines ____ through ____, and insert the following:

''(5) Developing and implementing effective mechanisms to assist local education agencies and schools in effectively recruiting and retaining highly qualified teachers and principals, and in cases in which a State or local education agency deems appropriate, academic counselors, mental health counselors, pupil services personnel, and other staff.

On page ____, between lines ____ and ____, insert the following:

''(11) Providing professional development for teachers, academic counselors, mental health counselors, pupil services personnel, and other school staff, to help young women, minorities, students with limited English proficiency, disabled individuals, and economically disadvantaged students achieve challenging State content standards and State student performance standards in core academic subjects, such as by providing training to teachers or counselors to encourage young women and minorities to enroll in advanced mathematics or science courses.

On page ____, strike lines ____ through ____ and insert the following:

''(3) Providing teachers, principals, and, in cases in which a State or local education agency deems appropriate, academic counselors, mental health counselors, pupil services personnel, and other staff, with opportunities for professional development through institutions of higher education.

On page ____, between lines ____ and ____, insert the following:

''(7) Developing and implementing mechanisms to assist schools in effectively recruiting and retaining highly qualified teachers and principals, and, in cases in which a State or local education agency deems appropriate, academic counselors, mental health counselors, pupil services personnel, and other staff.

On page ____, strike lines ____ through ____ and insert the following:

''(3) acquiring connectivity linkages, resources, and services, including the acquisition of hardware and software, for use by teachers, students, academic counselors, and school library media personnel in the classroom, in academic and college counseling centers, or in school library media centers, in order to improve student academic achievement and student performance;''

SA 514. Mr. DODD (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

''PART B—PARTNERSHIPS IN CHARACTER EDUCATION

''SEC. 9201. SHORT TITLE.

''This part may be cited as the 'Strong Character for Strong Schools Act'.

''SEC. 9202. PARTNERSHIPS IN CHARACTER EDUCATION PROGRAM.

''(a) PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized to award grants to eligible entities for the design and implementation of character education programs that may incorporate the elements of character described in subsection (d).

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) a State educational agency in partnership with 1 or more local educational agencies;

''(B) a State educational agency in partnership with—

''(i) one or more local educational agencies; and

''(ii) one or more nonprofit organizations or entities, including institutions of higher education;

''(C) a local educational agency or consortium of local educational agencies; or

''(D) a local educational agency in partnership with another nonprofit organization or entity, including institutions of higher education.

''(3) DURATION.—Each grant under this section shall be awarded for a period not to exceed 3 years, of which the eligible entity shall not use more than 1 year for planning and program design.

''(4) AMOUNT OF GRANTS FOR STATE EDUCATIONAL AGENCIES.—Subject to the availability of appropriations, the amount of grant made by the Secretary to a State educational agency in a partnership described in subparagraph (A) or (B) of paragraph (2), that submits an application under subsection (b) and that meets such requirements as the Secretary may establish under this section, shall not be less than $500,000.

''(b) APPLICATIONS.—

''(1) REQUIREMENT.—Each eligible entity desiring a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may require.

''(2) CONTENTS OF APPLICATION.—Each application submitted under this section shall include—

''(A) a description of any partnerships or collaborative efforts among the organizations and entities of the eligible entity;

''(B) a description of the goals and objectives of the program proposed by the eligible entity;

''(C) a description of activities that will be pursued and how those activities will contribute to meeting the goals and objectives described in subparagraph (B), including—

''(i) how parents, students (including students with physical and mental disabilities), and other members of the community, including members of private and nonprofit organizations, will be involved in the design and implementation of the program and how the eligible entity will work with the larger community to increase the reach and promise of the program;

''(ii) curriculum and instructional practices that will be used or developed;

''(iii) methods of teacher training and parent education that will be used or developed; and

''(iv) how the program will be linked to other efforts in the schools to improve student performance;

''(D) in the case of an eligible entity that is a State educational agency—

''(i) a description of how the State educational agency will provide technical and professional assistance to its local educational agency partners in the development and implementation of character education programs; and

''(ii) a description of how the State educational agency will assist other interested local educational agencies that are not members of the original partnership in designing and establishing character education programs;

''(E) a description of how the eligible entity will evaluate the success of its program—

''(i) based on the goals and objectives described in subparagraph (B); and

''(ii) in cooperation with the national evaluation conducted pursuant to subsection (c)(2)(B)(iii);

''(F) an assurance that the eligible entity annually will provide to the Secretary such information as may be required to determine the effectiveness of the program; and

''(G) any other information that the Secretary may require.

''(c) EVALUATION AND PROGRAM DEVELOPMENT.—

''(1) EVALUATION AND REPORTING.—

''(A) STATE AND LOCAL REPORTING AND EVALUATION.—Each eligible entity receiving a grant under this section shall submit to the Secretary a comprehensive evaluation of the program assisted under this section, including the impact on students (including students with physical and mental disabilities), teachers, administrators, parents, and others—

''(i) by the second year of the program; and

''(ii) not later than 1 year after completion of the grant period.

''(B) CONTRACTS FOR EVALUATION.—Each eligible entity receiving a grant under this section may contract with outside sources, including institutions of higher education, and private and nonprofit organizations, for purposes of evaluating its program and measuring the success of the program toward fostering character in students.

''(2) NATIONAL RESEARCH, DISSEMINATION, AND EVALUATION.—

''(A) IN GENERAL.—The Secretary is authorized to make grants to, or enter into contracts or cooperative agreements with, State or local educational agencies, institutions of higher education, tribal organizations, or other public or private agencies or organizations to carry out research, development, dissemination, technical assistance, and evaluation activities that support or inform State and local character education programs. The Secretary shall reserve not more than 5 percent of the funds made available under this section to carry out this paragraph.

''(B) USES.—Funds made available under subparagraph (A) may be used—

''(i) to conduct research and development activities that focus on matters such as—

''(I) the effectiveness of instructional models for all students, including students with physical and mental disabilities;

''(II) materials and curricula that can be used by programs in character education;

''(III) models of professional development in character education; and

''(IV) the development of measures of effectiveness for character education programs which may include the factors described in paragraph (3);

''(ii) to provide technical assistance to State and local programs, particularly on matters of program evaluation;

''(iii) to conduct a national evaluation of State and local programs receiving funding under this section; and

''(iv) to compile and disseminate, through various approaches (such as a national clearinghouse)—

''(I) information on model character education programs;

''(II) character education materials and curricula;

''(III) research findings in the area of character education and character development; and

''(IV) any other information that will be useful to character education program participants, educators, parents, administrators, and others nationwide.

''(C) PRIORITY.—In carrying out national activities under this paragraph related to development, dissemination, and technical assistance, the Secretary shall seek to enter into partnerships with national, nonprofit character education organizations with expertise and successful experience in implementing local character education programs that have had an effective impact on schools, students (including students with disabilities), and teachers.

''(3) FACTORS.—Factors which may be considered in evaluating the success of programs funded under this section may include—

''(A) discipline issues;

''(B) student performance;

''(C) participation in extracurricular activities;

''(D) parental and community involvement;

''(E) faculty and administration involvement;

''(F) student and staff morale; and

''(G) overall improvements in school climate for all students, including students with physical and mental disabilities.

''(d) ELEMENTS OF CHARACTER.—Each eligible entity desiring funding under this section shall develop character education programs that may incorporate elements of character such as—

''(1) caring;

''(2) civic virtue and citizenship;

''(3) justice and fairness;

''(4) respect;

''(5) responsibility;

''(6) trustworthiness; and

''(7) any other elements deemed appropriate by the members of the eligible entity.

''(e) USE OF FUNDS BY STATE EDUCATIONAL AGENCY RECIPIENTS.—Of the total funds received in any fiscal year under this section by an eligible entity that is a State educational agency—

''(1) not more than 10 percent of such funds may be used for administrative purposes; and

''(2) the remainder of such funds may be used for—

''(A) collaborative initiatives with and between local educational agencies and schools;

''(B) the preparation or purchase of materials, and teacher training;

''(C) grants to local educational agencies, schools, or institutions of higher education; and

''(D) technical assistance and evaluation.

''(f) SELECTION OF GRANTEES.—

''(1) CRITERIA.—The Secretary shall select, through peer review, eligible entities to receive grants under this section on the basis of the quality of the applications submitted under subsection (b), taking into consideration such factors as—

''(A) the quality of the activities proposed to be conducted;

''(B) the extent to which the program fosters character in students and the potential for improved student performance;

''(C) the extent and ongoing nature of parental, student, and community involvement;

''(D) the quality of the plan for measuring and assessing success; and

''(E) the likelihood that the goals of the program will be realistically achieved.

''(2) DIVERSITY OF PROJECTS.—The Secretary shall approve applications under this section in a manner that ensures, to the extent practicable, that programs assisted under this section—

''(A) serve different areas of the Nation, including urban, suburban, and rural areas; and

''(B) serve schools that serve minorities, Native Americans, students of limited-English proficiency, disadvantaged students, and students with disabilities.

''(g) PARTICIPATION BY PRIVATE SCHOOL CHILDREN AND TEACHERS.—Grantees under this section shall provide, to the extent feasible and appropriate, for the participation of students and teachers in private elementary and secondary schools in programs and activities under this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.''.

SA 515. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. HOTLINE.

(a) FINDINGS.—The Senate finds that—

(1) many middle school and secondary school students attend schools with large or increasing student populations, where the students may feel disconnected from or have no connection with adults in their lives;

(2) students need support or services when the students are suffering emotional distress, have suicidal thoughts and behaviors, use violence, or use drugs or alcohol, that may cause danger to the students or others;

(3) numerous studies have documented that student achievement is higher when the families of the students are healthy;

(4) families need information on support and services to address such issues as domestic violence, and availability of adequate and stable housing, health care, food, after-school programs, and job training and assistance;

(5) a public need exists for an easy-to-use, easy-to-remember hotline to efficiently bring community information and referral services to persons who need the services, providing a national safety net for those persons to get ready access to assistance;

(6) switching from a 10 digit number to a 2–1–1 hotline has resulted in a 40 percent increase in call volume in Atlanta, Georgia and statewide in Connecticut; and

(7) the Federal Communications Commission has designated 2–1–1 as the national number for human services information and referral hotlines and will review its implementation in 5 years and 2–1–1 hotline providers need funding to plan, develop, and implement 2–1–1 hotlines.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that $10,000,000 should be appropriated for fiscal year 2002 for the development and implementation of 2–1–1 hotlines under title XX of the Social Security Act (42 U.S.C. 1397 et seq.), only if the $10,000,000 is above the fiscal year 2001 funding level for Title XX of the Social Security Act.

SA 516. Mrs. CLINTON (for herself, Mr. TORRICELLI, and Mr. CORZINE) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 586, between lines 18 and 19, insert the following:

SEC. ___. STUDY CONCERNING THE HEALTH AND LEARNING IMPACTS OF SICK AND DILAPIDATED PUBLIC SCHOOL BUILDINGS ON AMERICA'S CHILDREN.

Title IV, as amended by this title, is further amended by adding at the end the following:

"PART E—MISCELLANEOUS PROVISIONS

"SEC. 4501. STUDY CONCERNING THE HEALTH AND LEARNING IMPACTS OF SICK AND DILAPIDATED PUBLIC SCHOOL BUILDINGS ON AMERICA'S CHILDREN.

''(a) STUDY AUTHORIZED.—The Secretary of Education, in conjunction with the Director of the Centers for Disease Control and Prevention and in consultation with the Administrator of the Environmental Protection Agency, shall conduct a study on the health and learning impacts of sick and dilapidated public school buildings on children that have attended or are attending such schools.

''(b) STUDY SPECIFICATIONS.—The following information shall be included in the study conducted under subsection (a):

''(1) The characteristics of public elementary and secondary school buildings that contribute to unhealthy school environments, including the prevalence of such characteristics in public elementary and secondary school buildings. Such characteristics may include school buildings that—

''(A) have been built on contaminated property;

''(B) have poor in-door air quality;

''(C) have occurrences of mold;

''(D) have ineffective ventilation, heating or cooling systems, inadequate lighting, drinking water that does not meet health-based standards, infestations of rodents, insects, or other animals that may carry or cause disease;

''(E) have dust or debris from crumbling structures or construction efforts; and

''(F) have been subjected to an inappropriate use of pesticides, insecticides, chemicals, or cleaners, lead-based paint, or asbestos or have radon or such other characteristics as determined by the Director of the Centers for Disease Control and Prevention to indicate an unhealthy school environment.

''(2) The health and leaning impacts of sick and dilapidated public school buildings on students that are attending or that have attended a school described in subsection (a), including information on the rates of such impacts where available. Such health impacts may include higher than expected incidence of injury, infectious disease, or chronic disease, such as asthma, allergies, elevated blood lead levels, behavioral disorders, or ultimately cancer. Such learning impacts may include lower levels of student achievement, inability of students to concentrate, and other educational indicators.

''(3) Recommendations to Congress on the development and implementation of public health and environmental standards for constructing new public elementary and secondary school buildings, remediating existing public school buildings, and the overall monitoring of public school building health, including cost estimates for the development and implementation of such standards and a cost estimate of bringing all public schools up to such standards.

''(4) The identification of the existing gaps in information regarding the health of public elementary and secondary school buildings and the health and learning impacts on students that attend unhealthy public schools, including recommendations for obtaining such information.

''(c) STUDY COMPLETION.—The study under subsection (a) shall be completed by the earlier of—

''(1) not later than 18 months after the date of enactment of this Act; or

''(2) not later than December 31, 2002.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $2,000,000 for fiscal year 2002 for the conduct of the study under subsection (a).''.

SA 517. Mrs. CLINTON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 309, lines 17 and 18, strike ''subsection (f)'' and insert ''subsections (b) and (f)''.

On page 339, line 6, strike ''(b)'' and insert ''(c)''.

On page 339, strike lines 7 through 16 and insert the following:

''(b) SCHOOL LEADERSHIP.—

''(1) DEFINITIONS.—

''(A) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term 'high-need local educational agency' means a local educational agency for which more than 30 percent of the students served by the local educational agency are students in poverty.

''(B) POVERTY LINE.—The term 'poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

''(C) STUDENT IN POVERTY.—The term 'student in poverty' means a student from a family with an income below the poverty line.

''(2) PROGRAM.—The Secretary shall establish and carry out a national principal recruitment program.

''(3) GRANTS.—

''(A) IN GENERAL.—In carrying out the program, the Secretary shall make grants, on a competitive basis, to high-need local educational agencies that seek to recruit and train principals (including assistant principals).

''(B) USE OF FUNDS.—An agency that receives a grant under subparagraph (A) may use the funds made available through the grant to carry out principal recruitment and training activities that may include—

''(i) providing stipends for master principals who mentor new principals;

''(ii) using funds innovatively to recruit new principals, including recruiting the principals by providing pay incentives or bonuses;

''(iii) developing career mentorship and professional development ladders for teachers who want to become principals; and

''(iv) developing incentives, and professional development and instructional leadership training programs, to attract individuals from other fields, including business and law, to serve as principals.

''(C) APPLICATION AND PLAN.—To be eligible to receive a grant under this subsection, a local educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. The application shall include—

''(i) a needs assessment concerning the shortage of qualified principals in the school district involved and an assessment of the potential for recruiting and retaining prospective and aspiring leaders, including teachers who are interested in becoming principals; and

''(ii) a comprehensive plan for recruitment and training of principals, including plans for mentorship programs, ongoing professional development, and instructional leadership training, for high-need schools served by the agency.

''(D) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to local educational agencies that demonstrate that the agencies will carry out the activities described in subparagraph (B) in partnership with nonprofit organizations and institutions of higher education.

''(E) SUPPLEMENT NOT SUPPLANT.—Funds appropriated to carry out this subsection shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide principal recruitment and retention activities.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for fiscal year 2002 and each subsequent fiscal year.''

SA 518. Mr. CARPER (for himself, Mr. GREGG, Mr. FRIST, Mr. LIEBERMAN, Mr. BIDEN, Mr. BINGAMAN, Mr. KERRY, Mr. HUTCHINSON, Mr. CRAPO, and Mr. DEWINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 45, between lines 20 and 21, insert the following:

''(H) Each State plan shall provide an assurance that the State's accountability requirements for charter schools (as defined in section 5120), such as requirements established under the State's charter school law

and overseen by the State's authorized chartering agencies for such schools, are at least as rigorous as the accountability requirements established under this Act, such as the requirements regarding standards, assessments, adequate yearly progress, school identification, receipt of technical assistance, and corrective action, that are applicable to other schools in the State under this Act.

On page 763, between lines 10 and 11, insert the following:

SEC. 502. EMPOWERING PARENTS.

(a) SHORT TITLE.—This section may be cited as the ''Empowering Parents Act of 2001''.

(b) PUBLIC SCHOOL CHOICE.—

(1) SHORT TITLE OF SUBSECTION.—This subsection may be referred to as the ''Enhancing Public Education Through Choice Act''.

(2) PURPOSES.—The purposes of this subsection are—

(A) to prevent children from being consigned to, or left trapped in, failing schools;

(B) to ensure that parents of children in failing public schools have the choice to send their children to higher performing public schools, including public charter schools;

(C) to support and stimulate improved public school performance through increased public school competition and increased Federal financial assistance;

(D) to provide parents with more choices among public school options; and

(E) to assist local educational agencies with low-performing schools to implement districtwide public school choice programs or enter into partnerships with other local educational agencies to offer students interdistrict or statewide public school choice programs.

(3) PUBLIC SCHOOL CHOICE PROGRAMS.—Part A of title V, as amended in section 501, is further amended by adding at the end the following:

''Subpart 4—Voluntary Public School Choice Programs

''SEC. 5161. DEFINITIONS.

''In this subpart:

''(1) CHARTER SCHOOL.—The term 'charter school' has the meaning given such term in section 5120.

''(2) LOWEST PERFORMING SCHOOL.—The term 'lowest performing school' means a public school that has failed to make adequate yearly progress, as described in section 1111, for 2 or more years.

''(3) POVERTY LINE.—The term 'poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2))) applicable to a family of the size involved, for the most recent fiscal year for which satisfactory data are available.

''(4) PUBLIC SCHOOL.—The term 'public school' means a charter school, a public elementary school, and a public secondary school.

''(5) STUDENT IN POVERTY.—The term 'student in poverty' means a student from a family with an income below the poverty line.

''SEC. 5162. GRANTS.

''The Secretary shall make grants, on a competitive basis, to State educational agencies and local educational agencies, to enable the agencies, including the agencies serving the lowest performing schools, to implement programs of universal public school choice.

''SEC. 5163. USE OF FUNDS.

''(a) IN GENERAL.—An agency that receives a grant under this subpart shall use the funds made available through the grant to pay for the expenses of implementing a public school choice program, including—

''(1) the expenses of providing transportation services or the cost of transportation to eligible children;

''(2) the cost of making tuition transfer payments to public schools to which students transfer under the program;

''(3) the cost of capacity-enhancing activities that enable high-demand public schools to accommodate transfer requests under the program;

''(4) the cost of carrying out public education campaigns to inform students and parents about the program;

''(5) administrative costs; and

''(6) other costs reasonably necessary to implement the program.

''(b) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this subpart shall supplement, and not supplant, State and local public funds expended to provide public school choice programs for eligible individuals.

''SEC. 5164. REQUIREMENTS.

''(a) INCLUSION IN PROGRAM.—In carrying out a public school choice program under this subpart, a State educational agency or local educational agency shall—

''(1) allow all students attending public schools within the State or school district involved to attend the public school of their choice within the State or school district, respectively;

''(2) provide all eligible students in all grade levels equal access to the program;

''(3) include in the program charter schools and any other public school in the State or school district, respectively; and

''(4) develop the program with the involvement of parents and others in the community to be served, and individuals who will carry out the program, including administrators, teachers, principals, and other staff.

''(b) NOTICE.—In carrying out a public school choice program under this subpart, a State educational agency or local educational agency shall give parents of eligible students prompt notice of the existence of the program and the program's availability to such parents, and a clear explanation of how the program will operate.

''(c) TRANSPORTATION.—In carrying out a public school choice program under this subpart, a State educational agency or local educational agency shall provide eligible students with transportation services or the cost of transportation to and from the public schools, including charter schools, that the students choose to attend under this program.

''(d) NONDISCRIMINATION.—Notwithstanding subsection (a)(3), no public school may discriminate on the basis of race, color, religion, sex, national origin, sexual orientation, or disability in providing programs and activities under this subpart.

''(e) PARALLEL ACCOUNTABILITY.—Each State educational agency or local educational agency receiving a grant under this subpart for a program through which a charter school receives assistance shall hold the school accountable for adequate yearly progress in improving student performance as described in title I and as established in the school's charter, including the use of the standards and assessments established under title I.

''SEC. 5165. APPLICATIONS.

''(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State educational agency or local educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(b) CONTENTS.—Each application for a grant under this subpart shall include—

''(1) a description of the program for which the agency seeks funds and the goals for such program;

''(2) a description of how the program will be coordinated with, and will complement and enhance, other related Federal and non-Federal projects;

''(3) if the program is carried out by a partnership, the name of each partner and a description of the partner's responsibilities;

''(4) a description of the policies and procedures the agency will use to ensure—

''(A) accountability for results, including goals and performance indicators; and

''(B) that the program is open and accessible to, and will promote high academic standards for, all students; and

''(5) such other information as the Secretary may require.

''SEC. 5166. PRIORITIES.

''In making grants under this subpart, the Secretary shall give priority to—

''(1) first, those State educational agencies and local educational agencies serving the lowest performing schools;

''(2) second, those State educational agencies and local educational agencies serving the highest percentage of students in poverty; and

''(3) third, those State educational agencies or local educational agencies forming a partnership that seeks to implement an interdistrict approach to carrying out a public school choice program.

''SEC. 5167. EVALUATIONS, TECHNICAL ASSISTANCE, AND DISSEMINATION.

''(a) IN GENERAL.—From the amount made available to carry out this subpart for any fiscal year, the Secretary may reserve not more than 5 percent to carry out evaluations, to provide technical assistance, and to disseminate information.

''(b) EVALUATIONS.—In carrying out evaluations under subsection (a), the Secretary may use the amount reserved under subsection (a) to carry out 1 or more evaluations of State and local programs assisted under this subpart, which shall, at a minimum, address—

''(1) how, and the extent to which, the programs promote educational equity and excellence; and

''(2) the extent to which public schools carrying out the programs are—

''(A) held accountable to the public;

''(B) effective in improving public education; and

''(C) open and accessible to all students.

''SEC. 5168. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to carry out this subpart $125,000,000 for fiscal year 2002 and each subsequent fiscal year.''.

(c) PUBLIC CHARTER SCHOOL FACILITIES FINANCING.—

(1) SHORT TITLE OF SUBSECTION.—This subsection may be cited as the ''Charter Schools Equity Act''.

(2) PURPOSES.—The purposes of this subsection are—

(A) to help eliminate the barriers that prevent charter school developers from accessing the credit markets, by encouraging lending institutions to lend funds to charter schools on terms more similar to the terms typically extended to traditional public schools; and

(B) to encourage the States to provide support to charter schools for facilities financing in an amount more nearly commensurate

to the amount the States have typically provided for traditional public schools.

(3) CHARTER SCHOOLS.—

(A) CONFORMING AMENDMENT.—Section 5112(e)(1), as amended in section 501, is further amended by inserting ''(other than funds reserved to carry out section 5115(b))'' after ''section 5121''.

(B) MATCHING GRANTS TO STATES.—Section 5115, as amended in section 501, is further amended—

(i) in subsection (a), by inserting ''(other than funds reserved to carry out subsection (b))'' after ''this subpart'';

(ii) by redesignating subsection (b) as subsection (c); and

(iii) by inserting after subsection (a) the following:

''(b) PER-PUPIL FACILITIES AID PROGRAMS.—

''(1) GRANTS.—

''(A) IN GENERAL.—From the amount made available to carry out this subsection under section 5121 for any fiscal year, the Secretary shall make grants, on a competitive basis, to States to pay for the Federal share of the cost of establishing or enhancing, and administering, programs in which the States make payments, on a per-pupil basis, to charter schools to assist the schools in financing school facilities (referred to in this subsection as 'per-pupil facilities aid programs').

''(B) PERIOD.—The Secretary shall award grants under this subsection for periods of not more than 5 years.

''(C) FEDERAL SHARE.—The Federal share of the cost described in subparagraph (A) for a per-pupil facilities aid program shall be not more than—

''(i) 90 percent of the cost, for the first fiscal year for which the program receives assistance under this subsection or its predecessor authority;

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

''(iii) 60 percent in the third such year;

''(iv) 40 percent in the fourth such year; and

''(v) 20 percent in the fifth such year.

''(2) USE OF FUNDS.—

''(A) IN GENERAL.—A State that receives a grant under this subsection shall use the funds made available through the grant to establish or enhance, and administer, a per-pupil facilities aid program for charter schools in the State.

''(B) EVALUATIONS; TECHNICAL ASSISTANCE; DISSEMINATION.—From the amount made available to a State through a grant under this subsection for a fiscal year, the State may reserve not more than 5 percent of the amount to carry out evaluations, to provide technical assistance, and to disseminate information.

''(C) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this subsection shall supplement, and not supplant, State and local public funds expended to provide per-pupil facilities aid programs, operations financing programs, or other programs, for charter schools.

''(3) REQUIREMENTS.—

''(A) VOLUNTARY PARTICIPATION.—No State may be required to participate in a program carried out under this subsection.

''(B) STATE LAW.—To be eligible to receive a grant under this subsection, a State shall establish or enhance, and administer, a per-pupil facilities aid program for charter schools in the State, that—

''(i) is specified in State law;

''(ii) provides annual financing, on a per-pupil basis, for charter school facilities; and

''(iii) provides financing that is dedicated solely for funding the facilities.

''(4) APPLICATIONS.—To be eligible to receive a grant under this subsection, a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(5) PRIORITIES.—In making grants under this subsection, the Secretary shall give priority to States that meet the criteria described in paragraph (2), and subparagraphs (A), (B), and (C) of paragraph (3), of section 5112(e).

''(6) EVALUATIONS, TECHNICAL ASSISTANCE, AND DISSEMINATION.—

''(A) IN GENERAL.—From the amount made available to carry out this subsection under section 5121 for any fiscal year, the Secretary may carry out evaluations, provide technical assistance, and disseminate information.

''(B) EVALUATIONS.—In carrying out evaluations under subparagraph (A), the Secretary may carry out 1 or more evaluations of State programs assisted under this subsection, which shall, at a minimum, address—

''(i) how, and the extent to which, the programs promote educational equity and excellence; and

''(ii) the extent to which charter schools supported through the programs are—

''(I) held accountable to the public;

''(II) effective in improving public education; and

''(III) open and accessible to all students.''.

(C) AUTHORIZATION OF APPROPRIATIONS.—Section 5121, as amended in section 501, is further amended to read as follows:

''SEC. 5121. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this subpart $400,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 4 succeeding fiscal years.

''(b) RESERVATION.—For fiscal year 2002, the Secretary shall reserve, from the amount appropriated under subsection (a)—

''(1) $200,000,000 to carry out this subpart, other than section 5115(b); and

''(2) the remainder to carry out section 5115(b).''.

(4) CREDIT ENHANCEMENT INITIATIVES.—Subpart 1 of part A of title V, as amended in section 501, is further amended—

(A) by inserting after the subpart heading the following:

''CHAPTER I—CHARTER SCHOOL PROGRAMS'';

(B) by striking ''this subpart'' each place it appears and inserting ''this chapter''; and

(C) by adding at the end the following:

''CHAPTER II—CREDIT ENHANCEMENT INITIATIVES TO PROMOTE CHARTER SCHOOL FACILITY ACQUISITION, CONSTRUCTION, AND RENOVATION

''SEC. 5126. PURPOSE.

''The purpose of this chapter is to provide grants to eligible entities to permit the entities to establish or improve innovative credit enhancement initiatives that assist charter schools to address the cost of acquiring, constructing, and renovating facilities.

''SEC. 5126A. GRANTS TO ELIGIBLE ENTITIES.

''(a) GRANTS FOR INITIATIVES.—

''(1) IN GENERAL.—The Secretary shall use 100 percent of the amount available to carry out this chapter to eligible entities having applications approved under this chapter to carry out innovative initiatives for assisting charter schools to address the cost of acquiring, constructing, and renovating facilities by enhancing the availability of loans or bond financing.

''(2) NUMBER OF GRANTS.—The Secretary shall award not fewer than 3 of the grants.

''(b) GRANTEE SELECTION.—

''(1) DETERMINATION.—The Secretary shall evaluate each application submitted, and shall determine which applications are of sufficient quality to merit approval and which are not.

''(2) MINIMUM GRANTS.—The Secretary shall award at least—

''(A) 1 grant to an eligible entity described in section 5126I(2)(A);

''(B) 1 grant to an eligible entity described in section 5126I(2)(B); and

''(C) 1 grant to an eligible entity described in section 5126I(2)(C),

if applications are submitted that permit the Secretary to award the grants without approving an application that is not of sufficient quality to merit approval.

''(c) GRANT CHARACTERISTICS.—Grants under this chapter shall be in sufficient amounts, and for initiatives of sufficient scope and quality, so as to effectively enhance credit for the financing of charter school acquisition, construction, or renovation.

''(d) SPECIAL RULE.—In the event the Secretary determines that the funds available to carry out this chapter are insufficient to permit the Secretary to award not fewer than 3 grants in accordance with subsections (a) through (c)—

''(1) subsections (a)(2) and (b)(2) shall not apply; and

''(2) the Secretary may determine the appropriate number of grants to be awarded in accordance with subsections (a)(1), (b)(1), and (c).

''SEC. 5126B. APPLICATIONS.

''(a) IN GENERAL.—To receive a grant under this chapter, an eligible entity shall submit to the Secretary an application in such form as the Secretary may reasonably require.

''(b) CONTENTS.—An application submitted under subsection (a) shall contain—

''(1) a statement identifying the activities proposed to be undertaken with funds received under this chapter, including how the applicant will determine which charter schools will receive assistance, and how much and what types of assistance the charter schools will receive;

''(2) a description of the involvement of charter schools in the application's development and the design of the proposed activities;

''(3) a description of the applicant's expertise in capital market financing;

''(4) a description of how the proposed activities will—

''(A) leverage private sector financing capital, to obtain the maximum amount of private sector financing capital, relative to the amount of government funding used, to assist charter schools; and

''(B) otherwise enhance credit available to charter schools;

''(5) a description of how the applicant possesses sufficient expertise in education to evaluate the likelihood of success of a charter school program for which facilities financing is sought;

''(6) in the case of an application submitted by a State governmental entity, a description of the actions that the entity has taken, or will take, to ensure that charter schools within the State receive the funding the schools need to have adequate facilities; and

''(7) such other information as the Secretary may reasonably require.

''SEC. 5126C. CHARTER SCHOOL OBJECTIVES.

''An eligible entity receiving a grant under this chapter shall use the funds received

through the grant, and deposited in the reserve account established under section 5126D(a), to assist 1 or more charter schools to access private sector capital to accomplish 1 or more of the following objectives:

''(1) The acquisition (by purchase, lease, donation, or otherwise) of an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property that is necessary to commence or continue the operation of a charter school.

''(2) The construction of new facilities, or the renovation, repair, or alteration of existing facilities, necessary to commence or continue the operation of a charter school.

''(3) The payment of start-up costs, including the costs of training teachers and purchasing materials and equipment, including instructional materials and computers, for a charter school.

''SEC. 5126D. RESERVE ACCOUNT.

''(a) IN GENERAL.—For the purpose of assisting charter schools to accomplish the objectives described in section 5126C, an eligible entity receiving a grant under this chapter shall deposit the funds received through the grant (other than funds used for administrative costs in accordance with section 5126E) in a reserve account established and maintained by the entity for that purpose. The entity shall make the deposit in accordance with State and local law and may make the deposit directly or indirectly, and alone or in collaboration with others.

''(b) USE OF FUNDS.—Amounts deposited in such account shall be used by the entity for 1 or more of the following purposes:

''(1) Guaranteeing, insuring, and reinsuring bonds, notes, evidences of debt, loans, and interests therein, the proceeds of which are used for an objective described in section 5126C.

''(2) Guaranteeing and insuring leases of personal and real property for such an objective.

''(3) Facilitating financing for such an objective by identifying potential lending sources, encouraging private lending, and carrying out other similar activities that directly promote lending to, or for the benefit of, charter schools.

''(4) Facilitating the issuance of bonds by charter schools, or by other public entities for the benefit of charter schools, for such an objective, 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).

''(c) INVESTMENT.—Funds received under this chapter and deposited in the reserve account shall be invested in obligations issued or guaranteed by the United States or a State, or in other similarly low-risk securities.

''(d) REINVESTMENT OF EARNINGS.—Any earnings on funds received under this chapter shall be deposited in the reserve account established under subsection (a) and used in accordance with subsection (b).

''SEC. 5126E. LIMITATION ON ADMINISTRATIVE COSTS.

''An eligible entity that receives a grant under this chapter may use not more than 0.25 percent of the funds received through the grant for the administrative costs of carrying out the entity's responsibilities under this chapter.

''SEC. 5126F. AUDITS AND REPORTS.

''(a) FINANCIAL RECORD MAINTENANCE AND AUDIT.—The financial records of each eligible entity receiving a grant under this chapter shall be maintained in accordance with generally accepted accounting principles and shall be subject to an annual audit by an independent public accountant.

''(b) REPORTS.—

''(1) GRANTEE ANNUAL REPORTS.—Each eligible entity receiving a grant under this chapter annually shall submit to the Secretary a report of the entity's operations and activities under this chapter.

''(2) CONTENTS.—Each such annual report shall include—

''(A) a copy of the most recent financial statements, and any accompanying opinion on such statements, prepared by the independent public accountant auditing the financial records of the eligible entity;

''(B) a copy of any report made on an audit of the financial records of the eligible entity that was conducted under subsection (a) during the reporting period;

''(C) an evaluation by the eligible entity of the effectiveness of the entity's use of the Federal funds provided under this chapter in leveraging private funds;

''(D) a listing and description of the charter schools served by the entity with such Federal funds during the reporting period;

''(E) a description of the activities carried out by the eligible entity to assist charter schools in meeting the objectives set forth in section 5126C; and

''(F) a description of the characteristics of lenders and other financial institutions participating in the activities undertaken by the eligible entity under this chapter during the reporting period.

''(3) SECRETARIAL REPORT.—The Secretary shall review the reports submitted under paragraph (1) and shall provide a comprehensive annual report to Congress on the activities conducted under this chapter.

''SEC. 5126G. NO FULL FAITH AND CREDIT FOR GRANTEE OBLIGATIONS.

''No financial obligation of an eligible entity entered into pursuant to this chapter (such as an obligation under a guarantee, bond, note, evidence of debt, or loan) shall be an obligation of, or guaranteed in any respect by, the United States. The full faith and credit of the United States is not pledged to the payment of funds that may be required to be paid under any obligation made by an eligible entity pursuant to any provision of this chapter.

''SEC. 5126H. RECOVERY OF FUNDS.

''(a) IN GENERAL.—The Secretary, in accordance with chapter 37 of title 31, United States Code, shall collect—

''(1) all of the funds in a reserve account established by an eligible entity under section 5126D(a) if the Secretary determines, not earlier than 2 years after the date on which the entity first received funds under this chapter, that the entity has failed to make substantial progress in carrying out the purposes described in section 5126D(b); or

''(2) all or a portion of the funds in a reserve account established by an eligible entity under section 5126D(a) if the Secretary determines that the eligible entity has permanently ceased to use all or a portion of the funds in such account to accomplish any purpose described in section 5126D(b).

''(b) EXERCISE OF AUTHORITY.—The Secretary shall not exercise the authority provided in subsection (a) to collect from any eligible entity any funds that are being properly used to achieve 1 or more of the purposes described in section 5126D(b).

''(c) PROCEDURES.—The provisions of sections 451, 452, and 458 of the General Education Provisions Act (20 U.S.C. 1234 et seq.) shall apply to the recovery of funds under subsection (a).

''(d) CONSTRUCTION.—This section shall not be construed to impair or affect the authority of the Secretary to recover funds under part D of the General Education Provisions Act (20 U.S.C. 1234 et seq.).

''SEC. 5126I. DEFINITIONS.

''In this chapter:

''(1) CHARTER SCHOOL.—The term 'charter school' has the meaning given such term in section 5120.

''(2) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) a public entity, such as a State or local governmental entity;

''(B) a private nonprofit entity; or

''(C) a consortium of entities described in subparagraphs (A) and (B).

''SEC. 5126J. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this chapter $200,000,000 for fiscal year 2002 and each subsequent fiscal year.''.

(5) INCOME EXCLUSION FOR INTEREST PAID ON LOANS BY CHARTER SCHOOLS.—

(A) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 139 and section 140 and by inserting after section 138 the following new section:

''SEC. 139. INTEREST ON CHARTER SCHOOL LOANS.

''(a) EXCLUSION.—Gross income does not include interest on any charter school loan.

''(b) CHARTER SCHOOL LOAN.—For purposes of this section:

''(1) IN GENERAL.—The term 'charter school loan' means any indebtedness incurred by a charter school.

''(2) CHARTER SCHOOL.—The term 'charter school' has the meaning given such term in section 5120 of the Elementary and Secondary Education Act of 1965.''.

(B) CONFORMING AMENDMENT.—The table of sections for such part III is amended by striking the item relating to section 139 and inserting the following:

''Sec. 139. Interest on charter school loans.

''Sec. 140. Cross references to other Acts.''.

(C) EFFECTIVE DATE.—The amendments made by this paragraph shall apply to taxable years beginning after December 31, 2000, with respect to indebtedness incurred after the date of the enactment of this Act.

SA 519. Mr. BINGAMAN (for himself, Mr. HUTCHINSON, Mr. HOLLINGS, and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 577, line 2, strike the double quote and period.

On page 577, between lines 2 and 3, insert the following:

''SEC. 4304. SCHOOL SECURITY TECHNOLOGY AND RESOURCE CENTER.

''(a) CENTER.—The Attorney General, the Secretary of Education, and the Secretary of Energy shall 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 known as

the 'School Security Technology and Resource Center'.

''(b) ADMINISTRATION.—The center established under subsection (a) shall be administered by the Attorney General.

''(c) FUNCTIONS.—The center established under subsection (a) shall 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 will also conduct and publish school violence research, coalesce data from victim communities, and monitor and report on schools that implement school security strategies.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $2,750,000 for each of the fiscal years 2002, 2003, and 2004, of which $2,000,000 shall be for Sandia National Laboratories in each fiscal year, $2,000,000 shall be for the National Center for Rural Law Enforcement in each fiscal year, and $750,000 shall be for the National Law Enforcement and Corrections Technology Center Southeast in each fiscal year.

''SEC. 4305. LOCAL SCHOOL SECURITY PROGRAMS.

''(a) IN GENERAL.—

''(1) GRANTS AUTHORIZED.—From amounts appropriated under subsection (c), the Secretary shall award grants on a competitive basis to local educational agencies to enable the agencies to acquire security technology for, or carry out activities related to improving security at, the middle and secondary schools served by the agencies, including obtaining school security assessments, and technical assistance, for the development of a comprehensive school security plan from the School Security Technology and Resource Center.

''(2) APPLICATION.—To be eligible to receive a grant under this section, a local educational agency shall submit to the Secretary an application in such form and containing such information as the Secretary may require, including information relating to the security needs of the agency.

''(3) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to local educational agencies that demonstrate the highest security needs, as reported by the agency in the application submitted under paragraph (2).

''(b) APPLICABILITY.—The provisions of this part (other than this section) shall not apply to this section.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002, 2003, and 2004.''.

''SEC. 4306. SAFE AND SECURE SCHOOL ADVISORY REPORT.

''Not later than 1 year after the date of enactment of this Act, the Attorney General, in consultation with the Secretary of Education and the Secretary of Energy, or their designees, shall—

''(1) develop a proposal to further improve school security; and

''(2) submit that proposal to Congress.''

SA 520. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 902. IMPACT AID PAYMENTS RELATING TO FEDERAL ACQUISITION OF REAL PROPERTY.

Section 8002 (20 U.S.C. 7702), as amended by section 1803 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398), is amended—

(1) in subsection (h)(4), by striking subparagraph (B) and inserting the following:

''(B) the Secretary shall make a payment to each local educational agency that is eligible to receive a payment under this section for the fiscal year involved in an amount that bears the same relation to 75 percent of the remainder as a percentage share determined for the local educational agency (as determined by dividing the maximum amount that such agency is eligible to receive under subsection (b) by the total maximum amounts that all such local educational agencies are eligible to receive under such subsection) bears to the percentage share determined (in the same manner) for all local educational agencies eligible to receive a payment under this section for the fiscal year involved, except that for purposes of calculating a local educational agency's maximum payment, data from the most current fiscal year shall be used.''; and

(2) by adding at the end the following:

''(n) LOSS OF ELIGIBILITY.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary shall make the following minimum payments for each fiscal year to each local educational agency described in paragraph (2):

''(A) For the first fiscal year following the loss of eligibility (as described in paragraph (2)), an amount equal to 90 percent of the amount received in the final fiscal year of eligibility.

''(B) For the second fiscal year following the loss of eligibility (as described in paragraph (2)), an amount equal to 75 percent of the amount received in the final fiscal year of eligibility.

''(C) For the third fiscal year following the loss of eligibility (as described in paragraph (2)), an amount equal to 50 percent of the amount received in the final fiscal year of eligibility.

''(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—A local educational agency described in this paragraph is an agency that—

''(A) was eligible for, and received, a payment under this section for fiscal year 2002; and

''(B) beginning in fiscal year 2003 or a subsequent fiscal year, is no longer eligible for payments under this section as provided for in subsection (a)(1)(C) as a result of the transfer of the Federal property involved to a non-Federal entity.''.

SA 521. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 308, strike line 9 and insert the following:

''(10) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' means the entity or agency designated under the laws of a State as responsible for teacher certification or licensing in the State.

''(11) TEACHER MENTORING.—The term

On page 316, after line 25, add the following:

''(d) SUBMISSION.—Portions of the application that relate to activities carried out under subpart 3 shall be jointly prepared and submitted by the State educational agency and the State agency for higher education.

SA 522. Mr. BAYH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 308, strike line 9 and insert the following:

''(10) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' means the entity or agency designated under the laws of a State as responsible for teacher certification or licensing in the State.

''(11) TEACHER MENTORING.—The term''.

SA 523. Mr. LIEBERMAN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING STREAMLINING OF EDUCATION PROGRAMS.

(a) FINDINGS.—The Senate finds the following:

(1)(A) In 1965, Congress enacted and President Johnson signed into law the Elementary and Secondary Education Act of 1965, taking bold new action with the primary goal of ensuring that low-income children have the same opportunity for a quality public education as their more affluent peers.

(B) Today the Federal role embodied in the original Elementary and Secondary Education Act of 1965 is still critical, but the global economy and increasing demands for a more highly skilled workforce require more from the public education system. Although the number of titles and programs in the Elementary and Secondary Education Act of 1965 have multiplied from efforts to try and address changing times, the underlying philosophy of the Act and methods used in the Act have not been rethought. As a result, the Elementary and Secondary Education Act of 1965 has grown into a confusing, unfocused mix of programs.

(2) Currently the Federal government's funding for and focus on education programs are dispersed in dozens of directions. More importantly, by dispersing the funding, the Federal government has diluted the impact of Federal investments and diminished the government's ability to cause bold changes in the public education system.

(3) The Federal government has a far better chance of spurring far-reaching reforms and improving the quality of schools if the government concentrates on a few, clear national priorities, gives the States and localities room and reason to innovate, and then hold the State and localities responsible for producing results.

(4) This Act streamlines numerous titles, with nearly 50 different funding channels for education programs, into 7 performance-based titles, all of which are geared toward the Nation's top priority of raising academic achievement.

(5) Congress must uphold a commitment to a new streamlined and focused Federal role in education.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) Congress should uphold the streamlining of education programs achieved in S. 1, 107th Congress, as placed on the calendar of the Senate; and

(2) Congress should oppose efforts to create new programs or set asides for elementary school or secondary school education that contradict the goal of concentrating the Federal focus and funding for education programs on a limited, but critical, number of national priorities that are most directly linked to raising student achievement.

SA 524. Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. ___. EXCELLENCE IN ECONOMIC EDUCATION.

Title IX, as amended by section 901, is further amended by adding at the end the following:

"PART B—EXCELLENCE IN ECONOMIC EDUCATION

"SEC. 9201. SHORT TITLE; FINDINGS.

''(a) SHORT TITLE.—This part may be cited as the ''Excellence in Economic Education Act of 2001''.

''(b) FINDINGS.—Congress makes the following findings:

''(1) The need for economic literacy in the United States has grown exponentially in the 1990's as a result of rapid technological advancements and increasing globalization, giving individuals in the United States more numerous and complex economic and financial choices than ever before as members of the workforce, managers of their families' resources, and voting citizens.

''(2) Studies show that many individuals in the United States lack essential knowledge in personal finance and economic literacy.

''(3) A 1998–1999 test conducted by the National Council on Economic Education pointed out that many individuals in the United States believe that there is a need for our Nation's youth to possess an understanding of personal finance and economic principles, with 96 percent of adults tested believing that basic economics should be taught in secondary school.

"SEC. 9202. EXCELLENCE IN ECONOMIC EDUCATION.

''(a) PURPOSE.—The purpose of this part is to promote economic and financial literacy among all United States students in kindergarten through grade 12 by awarding a competitive grant to a national nonprofit educational organization that has as its primary purpose the improvement of the quality of student understanding of personal finance and economics.

''(b) GOALS.—The goals of this part are—

''(1) to increase students' knowledge of and achievement in economics to enable the students to become more productive and informed citizens;

''(2) to strengthen teachers' understanding of and competency in economics to enable the teachers to increase student mastery of economic principles and their practical application;

''(3) to encourage economic education research and development, to disseminate effective instructional materials, and to promote replication of best practices and exemplary programs that foster economic literacy;

''(4) to assist States in measuring the impact of education in economics, which is 1 of 9 national core content areas described in section 306(c) of the Goals 2000: Educate America Act (20 U.S.C. 5886(c)); and

''(5) to leverage and expand private and public support for economic education partnerships at national, State, and local levels.

"SEC. 9203. GRANT PROGRAM AUTHORIZED.

''(a) COMPETITIVE GRANT PROGRAM FOR EXCELLENCE IN ECONOMIC EDUCATION.—

''(1) IN GENERAL.—The Secretary is authorized to award a competitive grant to a national nonprofit educational organization that has as its primary purpose the improvement of the quality of student understanding of personal finance and economics through effective teaching of economics in the Nation's classrooms (referred to in this section as the 'grantee').

''(2) USE OF GRANT FUNDS.—

''(A) ONE-QUARTER.—The grantee shall use ¼ of the funds made available through the grant and not reserved under subsection (f) for a fiscal year—

''(i) to strengthen and expand the grantee's relationships with State and local personal finance, entrepreneurial, and economic education organizations;

''(ii) to support and promote training, of teachers who teach a grade from kindergarten through grade 12, regarding economics, including the dissemination of information on effective practices and research findings regarding the teaching of economics;

''(iii) to support research on effective teaching practices and the development of assessment instruments to document student performance; and

''(iv) to develop and disseminate appropriate materials to foster economic literacy.

''(B) THREE-QUARTERS.—The grantee shall use ¾ of the funds made available through the grant for a fiscal year to award grants to State or local school boards, and State or local economic, personal finance, or entrepreneurial education organizations (which shall be referred to in this section as a 'recipient'). The grantee shall award such a grant to pay for the Federal share of the cost of enabling the recipient to work in partnership with 1 or more of the entities described in paragraph (3) for 1 or more of the following purposes:

''(i) Collaboratively establishing and conducting teacher training programs that use effective and innovative approaches to the teaching of economics, personal finance, and entrepreneurship.

''(ii) Providing resources to school districts that want to incorporate economics and personal finance into the curricula of the schools in the districts.

''(iii) Conducting evaluations of the impact of economic and financial literacy education on students.

''(iv) Conducting economic and financial literacy education research.

''(v) Creating and conducting school-based student activities to promote consumer, economic, and personal finance education, such as saving, investing, and entrepreneurial education, and to encourage awareness and student achievement in economics.

''(vi) Encouraging replication of best practices to encourage economic and financial literacy.

''(C) ADDITIONAL REQUIREMENTS AND TECHNICAL ASSISTANCE.—The grantee shall—

''(i) meet such other requirements as the Secretary determines to be necessary to assure compliance with this section; and

''(ii) provide such technical assistance as may be necessary to carry out this section.

''(3) PARTNERSHIP ENTITIES.—The entities referred to in paragraph (2)(B) are the following:

''(A) A private sector entity.

''(B) A State educational agency.

''(C) A local educational agency.

''(D) An institution of higher education.

''(E) Another organization promoting economic development.

''(F) Another organization promoting educational excellence.

''(G) Another organization promoting personal finance or entrepreneurial education.

''(4) ADMINISTRATIVE COSTS.—The grantee and each recipient receiving a grant under this section for a fiscal year may use not more than 25 percent of the funds made available through the grant for administrative costs.

''(b) TEACHER TRAINING PROGRAMS.—In carrying out the teacher training programs described in subsection (a)(2)(B) a recipient shall—

''(1) train teachers who teach a grade from kindergarten through grade 12; and

''(2) encourage teachers from disciplines other than economics and financial literacy to participate in such teacher training programs, if the training will promote the economic and financial literacy of their students.

''(c) INVOLVEMENT OF BUSINESS COMMUNITY.—In carrying out the activities assisted under this part the grantee and recipients are strongly encouraged to—

''(1) include interactions with the local business community to the fullest extent possible, to reinforce the connection between economic and financial literacy and economic development; and

''(2) work with private businesses to obtain matching contributions for Federal funds and assist recipients in working toward self-sufficiency.

''(d) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share of the cost described in subsection (a)(2)(B) shall be 50 percent.

''(2) NON-FEDERAL SHARE.—The non-Federal share may be paid in cash or in kind, fairly evaluated, including plant, equipment, or services.

''(e) APPLICATIONS.—

''(1) GRANTEE.—To be eligible to receive a grant under this section, the grantee shall submit to the Secretary an application at such time, in such manner, and accompanied by such information as the Secretary may require.

''(2) RECIPIENTS.—

''(A) IN GENERAL.—To be eligible to receive a grant under this section, a recipient shall submit an application to the grantee at such time, in such manner, and accompanied by such information as the grantee may require.

''(B) REVIEW.—The grantee shall invite the individuals described in subparagraph (C) to review all applications from recipients for a grant under this section and to make recommendations to the grantee regarding the funding of the applications.

''(C) INDIVIDUALS.—The individuals referred to in subparagraph (B) are the following:

''(i) Leaders in the fields of economics and education.

''(ii) Such other individuals as the grantee determines to be necessary, especially members of the State and local business, banking, and finance community.

''(f) SUPPLEMENT AND NOT SUPPLANT.—Funds appropriated under this section shall be used to supplement and not supplant

other Federal, State, and local funds expended for the purpose described in section 9202(a).

''(g) REPORT.—The Secretary shall prepare and submit to the appropriate committees of Congress a report regarding activities assisted under this section not later than 2 years after the date funds are first appropriated under subsection (h) and every 2 years thereafter.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part $10,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

SA 525. Mr. HARKIN (for himself, Mr. KERRY, Mr. LEVIN, Mr. REID, Mr. BIDEN, Mr. CORZINE, and Mr. JOHNSON) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. ___. PUBLIC SCHOOL REPAIR AND RENOVATION.

(a) SHORT TITLE.—This section may be cited as the ''Public School Repair and Renovation Act of 2001''.

(b) GRANTS FOR SCHOOL RENOVATION.—Title IX, as added by section 901, is amended by adding at the end the following:

''PART B—SCHOOL RENOVATION

''SEC. 9201. GRANTS FOR SCHOOL RENOVATION.

''(a) IN GENERAL.—

''(1) ALLOCATION OF FUNDS.—Of the amount appropriated for each fiscal year under subsection (k), the Secretary of Education shall allocate—

''(A) 6.0 percent of such amount for grants to impacted local educational agencies (as defined in paragraph (3)) for school repair, renovation, and construction;

''(B) 0.25 percent of such amount for grants to outlying areas for school repair and renovation in high-need schools and communities, allocated on such basis, and subject to such terms and conditions, as the Secretary determines appropriate;

''(C) 2 percent of such amount for grants to public entities, private nonprofit entities, and consortia of such entities, for use in accordance with subpart 2 of part C of this title X; and

''(D) the remainder to State educational agencies in proportion to the amount each State received under part A of title I for fiscal year 2001, except that no State shall receive less than 0.5 percent of the amount allocated under this subparagraph.

''(2) DETERMINATION OF GRANT AMOUNT.—

''(A) DETERMINATION OF WEIGHTED STUDENT UNITS.—For purposes of computing the grant amounts under paragraph (1)(A) for fiscal year 2001, the Secretary shall determine the results obtained by the computation made under section 8003 with respect to children described in subsection (a)(1)(C) of such section and computed under subsection (a)(2)(B) of such section for such year—

''(i) for each impacted local educational agency that receives funds under this section; and

''(ii) for all such agencies together.

''(B) COMPUTATION OF PAYMENT.—For fiscal year 2002, the Secretary shall calculate the amount of a grant to an impacted local educational agency by—

''(i) dividing the amount described in paragraph (1)(A) by the results of the computation described in subparagraph (A)(ii); and

''(ii) multiplying the number derived under clause (i) by the results of the computation described in subparagraph (A)(i) for such agency.

''(3) DEFINITION.—For purposes of this section, the term 'impacted local educational agency' means, for fiscal year 2001—

''(A) a local educational agency that receives a basic support payment under section 8003(b) for such fiscal year; and

''(B) with respect to which the number of children determined under section 8003(a)(1)(C) for the preceding school year constitutes at least 50 percent of the total student enrollment in the schools of the agency during such school year.

''(b) WITHIN-STATE ALLOCATIONS.—

''(1) ADMINISTRATIVE COSTS.—

''(A) STATE EDUCATIONAL AGENCY ADMINISTRATION.—Except as provided in subparagraph (B), each State educational agency may reserve not more than 1 percent of its allocation under subsection (a)(1)(D) for the purpose of administering the distribution of grants under this subsection.

''(B) STATE ENTITY ADMINISTRATION.—If the State educational agency transfers funds to a State entity described in paragraph (2)(A), the agency shall transfer to such entity 0.75 of the amount reserved under this paragraph for the purpose of administering the distribution of grants under this subsection.

''(2) RESERVATION FOR COMPETITIVE SCHOOL REPAIR AND RENOVATION GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

''(A) IN GENERAL.—Subject to the reservation under paragraph (1), of the funds allocated to a State educational agency under subsection (a)(1)(D), the State educational agency shall distribute 75 percent of such funds to local educational agencies or, if such State educational agency is not responsible for the financing of education facilities, the agency shall transfer such funds to the State entity responsible for the financing of education facilities (referred to in this section as the 'State entity') for distribution by such entity to local educational agencies in accordance with this paragraph, to be used, consistent with subsection (c), for school repair and renovation.

''(B) COMPETITIVE GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

''(i) IN GENERAL.—The State educational agency or State entity shall carry out a program of competitive grants to local educational agencies for the purpose described in subparagraph (A). Of the total amount available for distribution to such agencies under this paragraph, the State educational agency or State entity, shall, in carrying out the competition—

''(I) award to high poverty local educational agencies described in clause (ii), in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such local educational agencies received under part A of title I for fiscal year 2002 bears to the aggregate amount received for such fiscal year under such part by all local educational agencies in the State;

''(II) award to rural local educational agencies in the State, in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such rural local educational agencies received under part A of title I for fiscal year 2001 bears to the aggregate amount received for such fiscal year under such part by all local educational agencies in the State; and

''(III) award the remaining funds to local educational agencies not receiving an award under subclause (I) or (II), including high poverty and rural local educational agencies that did not receive such an award.

''(ii) HIGH POVERTY LOCAL EDUCATIONAL AGENCIES.—A local educational agency is described in this clause if—

''(I) the percentage described in subparagraph (C)(i) with respect to the agency is 30 percent or greater; or

''(II) the number of children described in such subparagraph with respect to the agency is at least 10,000.

''(C) CRITERIA FOR AWARDING GRANTS.—In awarding competitive grants under this paragraph, a State educational agency or State entity shall take into account the following criteria:

''(i) The percentage of poor children 5 to 17 years of age, inclusive, in a local educational agency.

''(ii) The need of a local educational agency for school repair and renovation, as demonstrated by the condition of its public school facilities.

''(iii) The fiscal capacity of a local educational agency to meet its needs for repair and renovation of public school facilities without assistance under this section, including its ability to raise funds through the use of local bonding capacity and otherwise.

''(iv) In the case of a local educational agency that proposes to fund a repair or renovation project for a charter school or schools, the extent to which the school or schools have access to funding for the project through the financing methods available to other public schools or local educational agencies in the State.

''(v) The likelihood that the local educational agency will maintain, in good condition, any facility whose repair or renovation is assisted under this section.

''(D) POSSIBLE MATCHING REQUIREMENT.—

''(i) IN GENERAL.—A State educational agency or State entity may require local educational agencies to match funds awarded under this subsection.

''(ii) MATCH AMOUNT.—The amount of a match described in clause (i) may be established by using a sliding scale that takes into account the relative poverty of the population served by the local educational agency.

''(3) RESERVATION FOR COMPETITIVE IDEA OR TECHNOLOGY GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

''(A) IN GENERAL.—Subject to the reservation under paragraph (1), of the funds allocated to a State educational agency under subsection (a)(1)(D), the State educational agency shall distribute 25 percent of such funds to local educational agencies through competitive grant processes, to be used for the following:

''(i) To carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(ii) For technology activities that are carried out in connection with school repair and renovation, including—

''(I) wiring;

''(II) acquiring hardware and software;

''(III) acquiring connectivity linkages and resources; and

''(IV) acquiring microwave, fiber optics, cable, and satellite transmission equipment.

''(B) CRITERIA FOR AWARDING IDEA GRANTS.—In awarding competitive grants under subparagraph (A) to be used to carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), a State educational agency shall take into account the following criteria:

''(i) The need of a local educational agency for additional funds for a student whose individually allocable cost for expenses related to the Individuals with Disabilities Education Act substantially exceeds the State's average per-pupil expenditure (as defined in section 3).

''(ii) The need of a local educational agency for additional funds for special education and related services under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(iii) The need of a local educational agency for additional funds for assistive technology devices (as defined in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401)) or assistive technology services (as so defined) for children being served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(iv) The need of a local educational agency for additional funds for activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) in order for children with disabilities to make progress toward meeting the performance goals and indicators established by the State under section 612(a)(16) of such Act (20 U.S.C. 1412).

''(C) CRITERIA FOR AWARDING TECHNOLOGY GRANTS.—In awarding competitive grants under subparagraph (A) to be used for technology activities that are carried out in connection with school repair and renovation, a State educational agency shall take into account the need of a local educational agency for additional funds for such activities, including the need for the activities described in subclauses (I) through (IV) of subparagraph (A)(ii).

''(c) RULES APPLICABLE TO SCHOOL REPAIR AND RENOVATION.—With respect to funds made available under this section that are used for school repair and renovation, the following rules shall apply:

''(1) PERMISSIBLE USES OF FUNDS.—School repair and renovation shall be limited to one or more of the following:

''(A) Emergency repairs or renovations to public school facilities only to ensure the health and safety of students and staff, including—

''(i) repairing, replacing, or installing roofs, electrical wiring, plumbing systems, sewage systems, windows, or doors;

''(ii) repairing, replacing, or installing heating, ventilation, or air conditioning systems (including insulation); and

''(iii) bringing public schools into compliance with fire and safety codes.

''(B) School facilities modifications necessary to render public school facilities accessible in order to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

''(C) School facilities modifications necessary to render public school facilities accessible in order to comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

''(D) Asbestos abatement or removal from public school facilities.

''(E) Implementing measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including interim controls or abatement or a combination of each.

''(F) Renovation, repair, and acquisition needs related to the building infrastructure of a charter school.

''(2) IMPERMISSIBLE USES OF FUNDS.—No funds received under this section may be used for—

''(A) payment of maintenance costs in connection with any projects constructed in whole or part with Federal funds provided under this section;

''(B) the construction of new facilities, except for facilities for an impacted local educational agency (as defined in subsection (a)(3)); or

''(C) stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public.

''(3) CHARTER SCHOOLS.—A public charter school that constitutes a local educational agency under State law shall be eligible for assistance under the same terms and conditions as any other local educational agency (as defined in section 3).

''(4) SUPPLEMENT, NOT SUPPLANT.—Excluding the uses described in subparagraphs (B) and (C) of paragraph (1), a local educational agency shall use Federal funds subject to this subsection only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for school repair and renovation.

''(d) SPECIAL RULE.—Each local educational agency that receives funds under this section shall ensure that, if it carries out repair or renovation through a contract, any such contract process ensures the maximum number of qualified bidders, including small, minority, and women-owned businesses, through full and open competition.

''(e) PUBLIC COMMENT.—Each local educational agency receiving funds under paragraph (2) or (3) of subsection (b)—

''(1) shall provide parents, educators, and all other interested members of the community the opportunity to consult on the use of funds received under such paragraph;

''(2) shall provide the public with adequate and efficient notice of the opportunity described in paragraph (1) in a widely read and distributed medium; and

''(3) shall provide the opportunity described in paragraph (1) in accordance with any applicable State and local law specifying how the comments may be received and how the comments may be reviewed by any member of the public.

''(f) REPORTING.—

''(1) LOCAL REPORTING.—Each local educational agency receiving funds under subsection (a)(1)(D) shall submit a report to the State educational agency, at such time as the State educational agency may require, describing the use of such funds for—

''(A) school repair and renovation (and construction, in the case of an impacted local educational agency (as defined in subsection (a)(3)));

''(B) activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); and

''(C) technology activities that are carried out in connection with school repair and renovation, including the activities described in subclauses (I) through (IV) of subsection (b)(3)(A)(ii).

''(2) STATE REPORTING.—Each State educational agency shall submit to the Secretary of Education, not later than December 31, 2003, a report on the use of funds received under subsection (a)(1)(D) by local educational agencies for—

''(A) school repair and renovation (and construction, in the case of an impacted local educational agency (as defined in subsection (a)(3)));

''(B) activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); and

''(C) technology activities that are carried out in connection with school repair and renovation, including the activities described in subclauses (I) through (IV) of subsection (b)(3)(A)(ii).

''(3) ADDITIONAL REPORTS.—Each entity receiving funds allocated under subsection (a)(1) (A) or (B) shall submit to the Secretary, not later than December 31, 2003, a report on its uses of funds under this section, in such form and containing such information as the Secretary may require.

''(g) APPLICABILITY OF PART B OF IDEA.—If a local educational agency uses funds received under this section to carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), such part (including provisions respecting the participation of private school children), and any other provision of law that applies to such part, shall apply to such use.

''(h) REALLOCATION.—If a State educational agency does not apply for an allocation of funds under subsection (a)(1)(D) for fiscal year 2002, or does not use its entire allocation for such fiscal year, the Secretary may reallocate the amount of the State educational agency's allocation (or the remainder thereof, as the case may be) to the remaining State educational agencies in accordance with subsection (a)(1)(D).

''(i) PARTICIPATION OF PRIVATE SCHOOLS.—

''(1) IN GENERAL.—Section 5342 shall apply to subsection (b)(2) in the same manner as it applies to activities under title VI, except that—

''(A) such section shall not apply with respect to the title to any real property renovated or repaired with assistance provided under this section;

''(B) the term 'services' as used in section 5342 with respect to funds under this section shall be provided only to private, nonprofit elementary or secondary schools with a rate of child poverty of at least 40 percent and may include for purposes of subsection (b)(2) only—

''(i) modifications of school facilities necessary to meet the standards applicable to public schools under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);

''(ii) modifications of school facilities necessary to meet the standards applicable to public schools under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); and

''(iii) asbestos abatement or removal from school facilities; and

''(C) notwithstanding the requirements of section 5342(b), expenditures for services provided using funds made available under subsection (b)(2) shall be considered equal for purposes of such section if the per-pupil expenditures for services described in subparagraph (B) for students enrolled in private nonprofit elementary and secondary schools that have child poverty rates of at least 40 percent are consistent with the per-pupil expenditures under this section for children enrolled in the public schools in the school district of the local educational agency receiving funds under this section.

''(2) REMAINING FUNDS.—If the expenditure for services described in paragraph (1)(B) is less than the amount calculated under paragraph (1)(C) because of insufficient need for such services, the remainder shall be available to the local educational agency for renovation and repair of public school facilities.

''(3) APPLICATION.—If any provision of this section, or the application thereof, to any person or circumstances is judicially determined to be invalid, the provisions of the remainder of the section and the application to other persons or circumstances shall not be affected thereby.

''(j) DEFINITIONS.—For purposes of this section:

''(1) CHARTER SCHOOL.—The term 'charter school' has the meaning given such term in section 5120(1).

''(2) POOR CHILDREN AND CHILD POVERTY.—The terms 'poor children' and 'child poverty' refer to children 5 to 17 years of age, inclusive, who are from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant (42 U.S.C. 9902(2)) applicable to a family of the size involved for the most recent fiscal year for which data satisfactory to the Secretary are available.

''(3) RURAL LOCAL EDUCATIONAL AGENCY.—The term 'rural local educational agency' means a local educational agency that the State determines is located in a rural area using objective data and a commonly employed definition of the term 'rural'.

''(4) STATE.—The term 'State' means each of the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico.

''(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $1,600,000,000 for fiscal year 2002, and such sums as may be necessary for each of fiscal years 2003 through 2006.''.

SA 526. Mr. HARKIN (for himself, Mr. LEVIN, and Mr. JOHNSON) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. ____. COUNSELING IMPROVEMENT.

(a) FINDINGS.—Congress finds that—

(1) elementary and secondary school children are being subjected to unprecedented social stresses, including fragmentation of the family, drug and alcohol abuse, violence, child abuse, and poverty;

(2) an increasing number of elementary and secondary school children are exhibiting symptoms of distress, such as substance abuse, emotional disorders, violent outbursts, disruptive behavior, juvenile delinquency, and suicide;

(3) between 1984 and 1994, the homicide rate for adolescents doubled, while the rate of nonfatal violent crimes committed by adolescents increased by almost 20 percent;

(4) according to the National Institute of Mental Health, up to one in five children and youth have psychological problems severe enough to require some form of professional help, yet only 20 percent of youth with mental disorders or their families receive help;

(5) the Institute of Medicine has identified psychological counseling as the most serious school health need for the normal development of our Nation's children and youth;

(6) school counselors, school psychologists, and school social workers can contribute to the personal growth, educational development, and emotional well-being of elementary and secondary school children by providing professional counseling, intervention, and referral services;

(7) the implementation of well designed school counseling programs has been shown to increase students' academic success;

(8) the national average student-to-counselor ratio in elementary and secondary schools is 531 to 1, and the average student-to-psychologist ratio is 2300 to 1;

(9) it is recommended that to effectively address students' mental health and development needs, schools have 1 full-time counselor for every 250 students, 1 psychologist for every 1,000 students, and 1 school social worker for every 800 students;

(10) the population of elementary and secondary school students in the United States is expected to increase dramatically during the 5 to 10 years beginning with 1999;

(11) the Federal Government can help reduce the risk of academic, social, and emotional problems among elementary and secondary school children by stimulating the development of model school counseling programs; and

(12) the Federal Government can help reduce the risk of future unemployment and assist the school-to-work transition by stimulating the development of model school counseling programs that include comprehensive career development.

(b) PURPOSE.—It is the purpose of this section to enhance the availability and quality of counseling services for elementary and secondary school children by providing grants to local educational agencies to enable such agencies to establish or expand effective and innovative counseling programs that can serve as models for the Nation.

(c) SCHOOL COUNSELING.—Title IV of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7101 et seq.), as amended by this Act, is amended—

(1) in section 4004 (20 U.S.C. 7104)—

(A) in paragraph (3), by striking ''and'' at the end;

(B) in paragraph (4), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(5) $100,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 4 succeeding fiscal years, for grants under section 4126.''; and

(2) by adding at the end of subpart 2 of part A the following:

''SEC. 4126. ELEMENTARY SCHOOL AND SECONDARY SCHOOL COUNSELING DEMONSTRATION.

''(a) COUNSELING DEMONSTRATION.—

''(1) IN GENERAL.—The Secretary may award grants under this section to local educational agencies to enable the local educational agencies to establish or expand elementary school and secondary school counseling programs.

''(2) PRIORITY.—In awarding grants under this section, the Secretary shall give special consideration to applications describing programs that—

''(A) demonstrate the greatest need for new or additional counseling services among the children in the schools served by the applicant;

''(B) propose the most promising and innovative approaches for initiating or expanding school counseling; and

''(C) show the greatest potential for replication and dissemination.

''(3) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall ensure an equitable geographic distribution among the regions of the United States and among urban, suburban, and rural areas.

''(4) DURATION.—A grant under this section shall be awarded for a period not to exceed three years.

''(5) MAXIMUM GRANT.—A grant under this section shall not exceed $400,000 for any fiscal year.

''(b) APPLICATIONS.—

''(1) IN GENERAL.—Each local educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(2) CONTENTS.—Each application for a grant under this section shall—

''(A) describe the school population to be targeted by the program, the particular personal, social, emotional, educational, and career development needs of such population, and the current school counseling resources available for meeting such needs;

''(B) describe the activities, services, and training to be provided by the program and the specific approaches to be used to meet the needs described in subparagraph (A);

''(C) describe the methods to be used to evaluate the outcomes and effectiveness of the program;

''(D) describe the collaborative efforts to be undertaken with institutions of higher education, businesses, labor organizations, community groups, social service agencies, and other public or private entities to enhance the program and promote school-linked services integration;

''(E) describe collaborative efforts with institutions of higher education which specifically seek to enhance or improve graduate programs specializing in the preparation of school counselors, school psychologists, and school social workers;

''(F) document that the applicant has the personnel qualified to develop, implement, and administer the program;

''(G) describe how any diverse cultural populations, if applicable, would be served through the program;

''(H) assure that the funds made available under this part for any fiscal year will be used to supplement and, to the extent practicable, increase the level of funds that would otherwise be available from non-Federal sources for the program described in the application, and in no case supplant such funds from non-Federal sources; and

''(I) assure that the applicant will appoint an advisory board composed of parents, school counselors, school psychologists, school social workers, other pupil services personnel, teachers, school administrators, and community leaders to advise the local educational agency on the design and implementation of the program.

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—From amounts made available under section 4004(5) to carry out this section, the Secretary shall award grants to local education agencies to be used to initiate or expand elementary or secondary school counseling programs that comply with the requirements of paragraph (2).

''(2) PROGRAM REQUIREMENTS.—Each program assisted under this section shall—

''(A) be comprehensive in addressing the personal, social, emotional, and educational needs of all students;

''(B) use a developmental, preventive approach to counseling;

''(C) increase the range, availability, quantity, and quality of counseling services in the schools of the local educational agency;

''(D) expand counseling services only through qualified school counselors, school psychologists, and school social workers;

''(E) use innovative approaches to increase children's understanding of peer and family relationships, work and self, decision-making, or academic and career planning, or to improve social functioning;

''(F) provide counseling services that are well-balanced among classroom group and

small group counseling, individual counseling, and consultation with parents, teachers, administrators, and other pupil services personnel;

''(G) include inservice training for school counselors, school social workers, school psychologists, other pupil services personnel, teachers, and instructional staff;

''(H) involve parents of participating students in the design, implementation, and evaluation of a counseling program;

''(I) involve collaborative efforts with institutions of higher education, businesses, labor organizations, community groups, social service agencies, or other public or private entities to enhance the program and promote school-linked services integration; and

''(J) evaluate annually the effectiveness and outcomes of the counseling services and activities assisted under this section.

''(3) REPORT.—The Secretary shall issue a report evaluating the programs assisted pursuant to each grant under this subsection at the end of each grant period in accordance with section 14701.

''(4) DISSEMINATION.—The Secretary shall make the programs assisted under this section available for dissemination, either through the National Diffusion Network or other appropriate means.

''(5) LIMIT ON ADMINISTRATION.—Not more than 5 percent of the amounts made available under this section in any fiscal year shall be used for administrative costs to carry out this section.

''(d) DEFINITIONS.—For purposes of this section:

''(1) SCHOOL COUNSELOR.—The term 'school counselor' means an individual who has documented competence in counseling children and adolescents in a school setting and who—

''(A) possesses State licensure or certification granted by an independent professional regulatory authority;

''(B) in the absence of such State licensure or certification, possesses national certification in school counseling or a specialty of counseling granted by an independent professional organization; or

''(C) holds a minimum of a master's degree in school counseling from a program accredited by the Council for Accreditation of Counseling and Related Educational Programs or the equivalent.

''(2) SCHOOL PSYCHOLOGIST.—The term 'school psychologist' means an individual who—

''(A) possesses a minimum of 60 graduate semester hours in school psychology from an institution of higher education and has completed 1,200 clock hours in a supervised school psychology internship, of which 600 hours shall be in the school setting;

''(B) possesses State licensure or certification in the State in which the individual works; or

''(C) in the absence of such State licensure or certification, possesses national certification by the National School Psychology Certification Board.

''(3) SCHOOL SOCIAL WORKER.—The term 'school social worker' means an individual who—

''(A)(i) holds a master's degree in social work from a program accredited by the Council on Social Work Education; and

''(ii) is licensed or certified by the State in which services are provided; or

''(B) in the absence of such licensure or certification, possess a national certification or credential as a school social work specialist that has been awarded by an independent professional organization.

''(4) SUPERVISOR.—The term 'supervisor' means an individual who has the equivalent number of years of professional experience in such individual's respective discipline as is required of teaching experience for the supervisor or administrative credential in the State of such individual.''.

SA 527. Mr. KYL (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 264, strike line 14 and insert the following:

STUDENTS.—

''(A) IN GENERAL.—In providing a free public education to

On page 264, strike lines 19 and 20 and insert the following:

youth's status as homeless, except as provided in section 723(a)(2)(B)(ii) and subparagraph (B).

''(B) EXCEPTION.—Notwithstanding subparagraph (A), paragraphs (1)(H) and (3) of subsection (g), section 723(a)(2), and any other provision of this subtitle relating to the placement of homeless children or youth in schools, a State that has a separate school for homeless children that was established not later than the fiscal year preceding the date of enactment of the Better Education for Students and Teachers Act shall remain eligible to receive funds under this subtitle for programs carried out in such school.

SA 528. Mr. DURBIN (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 266, after line 23, add the following:

''PART H—SUMMER SCHOOL

''SEC. 1751. SUMMER SCHOOL.

''(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make allotments to State educational agencies to enable the State educational agencies to award grants to local educational agencies to support summer school programs for students who have not achieved academic standards set by the States.

''(b) STATE ALLOTMENTS, LOCAL GRANTS AND ALLOCATIONS.—

''(1) STATE ALLOTMENTS.—From funds appropriated under subsection (g) and not reserved under subsection (e) for a fiscal year, the Secretary shall make an allotment to each State educational agency in a State in an amount that bears the same relation to the funds as the amount the State received under part A for the fiscal year bears to the amount received by all States under such part for the fiscal year.

''(2) LOCAL GRANTS AND ALLOCATIONS.—Each State educational agency receiving an allotment under paragraph (1) for a fiscal year shall use the allotted funds to award grants to eligible local educational agencies.

''(c) ELIGIBILITY.—To be eligible to receive a grant under this section a local educational agency shall—

''(1) adopt a plan for the use of the grant funds that gives priority to providing services to students who do not meet State academic standards applicable to students in grade 3 through grade 8;

''(2) conduct an assessment of the local educational agency's needs for teachers who have the knowledge and skills necessary to ensure that all students have the opportunity to meet challenging academic standards;

''(3) adopt a plan that is approved by the State educational agency to ensure, to the maximum extent possible, that all teachers employed by the local educational agency meet the State's teacher certification or licensure requirements for the subjects in which the teachers teach;

''(4) adopt a plan that is approved by the State educational agency to ensure that each student served by the local educational agency meets academic standards, based on guidelines established by the State educational agency, which plan shall include a description of—

''(A) the procedures used to identify students not meeting State academic standards;

''(B) the supplemental educational and related services provided to students not meeting State academic standards; and

''(C) the additional or alternative programs provided to students who continue to fail to meet State academic standards; and

''(5) establish procedures to evaluate the results of the summer school programs funded under this section.

''(d) PRIORITY.—In awarding grants under this section, the State educational agency shall give priority to local educational agencies—

''(1) serving schools identified for school improvement under section 1116(c); and

''(2) that develop an individualized learning plan for each student who fails to meet State academic standards detailing what steps will be taken by the local educational agency to bring that student within State standards.

''(e) RESERVATION FOR INNOVATIVE PROGRAMS.—The Secretary shall reserve 5 percent of the amount appropriated under subsection (g) for a fiscal year to award grants for innovative summer school programs and to evaluate existing summer school programs.

''(f) GENERAL PROVISIONS.—

''(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant other Federal, State, local, and private funds available for summer school programs.

''(2) ADMINISTRATIVE EXPENSES.—Each State educational agency that receives grant funds under this section may use not more than 5 percent of the grant funds for a fiscal year for the administrative costs of carrying out this section.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section the following amounts:

''(1) $200,000,000 for fiscal year 2002.

''(2) Such sums as may be necessary for each of the fiscal years 2003 through 2008.''.

SA 529. Mr. DURBIN (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 266, after line 23, insert the following:

"SEC. 1708. SUMMER SCHOOL.

''(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make allotments to State educational agencies to enable the State educational agencies to award grants to local educational agencies to support summer school programs for students who have not achieved academic standards set by the States.

''(b) STATE ALLOTMENTS, LOCAL GRANTS AND ALLOCATIONS.—

''(1) STATE ALLOTMENTS.—From funds appropriated under subsection (g) and not reserved under subsection (e) for a fiscal year, the Secretary shall make an allotment to each State educational agency in a State in an amount that bears the same relation to the funds as the amount the State received under part A for the fiscal year bears to the amount received by all States under such part for the fiscal year.

''(2) LOCAL GRANTS AND ALLOCATIONS.—Each State educational agency receiving an allotment under paragraph (1) for a fiscal year shall use the allotted funds to award grants to eligible local educational agencies.

''(c) ELIGIBILITY.—To be eligible to receive a grant under this section a local educational agency shall—

''(1) adopt a plan for the use of the grant funds that gives priority to providing services to students who do not meet State academic standards applicable to students in grade 3 through grade 8;

''(2) conduct an assessment of the local educational agency's needs for teachers who have the knowledge and skills necessary to ensure that all students have the opportunity to meet challenging academic standards;

''(3) adopt a plan that is approved by the State educational agency to ensure, to the maximum extent possible, that all teachers employed by the local educational agency meet the State's teacher certification or licensure requirements for the subjects in which the teachers teach;

''(4) adopt a plan that is approved by the State educational agency to ensure that each student served by the local educational agency meets academic standards, based on guidelines established by the State educational agency, which plan shall include a description of—

''(A) the procedures used to identify students not meeting State academic standards;

''(B) the supplemental educational and related services provided to students not meeting State academic standards; and

''(C) the additional or alternative programs provided to students who continue to fail to meet State academic standards; and

''(5) establish procedures to evaluate the results of the summer school programs funded under this section.

''(d) PRIORITY.—In awarding grants under this section, the State educational agency shall give priority to local educational agencies—

''(1) serving schools identified for school improvement under section 1116(c); and

''(2) that develop an individualized learning plan for each student who fails to meet State academic standards detailing what steps will be taken by the local educational agency to bring that student within State standards.

''(e) RESERVATION FOR INNOVATIVE PROGRAMS.—The Secretary shall reserve 5 percent of the amount appropriated under subsection (g) for a fiscal year to award grants for innovative summer school programs and to evaluate existing summer school programs.

''(f) GENERAL PROVISIONS.—

''(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant other Federal, State, local, and private funds available for summer school programs.

''(2) ADMINISTRATIVE EXPENSES.—Each State educational agency that receives grant funds under this section may use not more than 5 percent of the grant funds for a fiscal year for the administrative costs of carrying out this section.

''(3) APPLICABILITY.—Notwithstanding any other provision of this part, this part (other than this section) shall not apply to this section.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $200,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.''.

SA 530. Mr. DURBIN (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 347, strike lines 8 through 10 and insert the following:

''(d) PRIORITY.—

''(1) HIGH NEED LOCAL EDUCATIONAL AGENCIES.—In awarding grants under this subpart, the Secretary shall give first priority to an eligible partnership that includes a high need local educational agency.

''(2) BUSINESSES.—In awarding the grants among eligible partnerships that do not include such agencies, the Secretary shall give priority to an eligible partnership that—

''(A) includes a business (such as a corporation); and

''(B) demonstrates that the business will—

''(i) provide a non-Federal share of the cost of the activities carried out under section 2213; and

''(ii) provide a greater non-Federal share of the cost of the activities than the business provided prior to the date the partnership received that priority.

''(3) NON-FEDERAL SHARE.—The non-Federal share provided by a business under paragraph (2) may be provided in cash or in kind, fairly evaluated, including plant, equipment, or services.

On page 350, after line 4 add the following:

(9) Designing and implementing year-round small inquiry groups for teachers for the purpose of improving math and science teachers' subject knowledge and teaching skills.

On page 362, line 14, strike ''$500,000,000'' and insert ''$900,000,000''.

SA 531. Mr. DURBIN (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 347, strike lines 8 through 10 and insert the following:

''(d) PRIORITY.—

''(1) HIGH NEED LOCAL EDUCATIONAL AGENCIES.—In awarding grants under this subpart, the Secretary shall give first priority to an eligible partnership that includes a high need local educational agency.

''(2) BUSINESSES.—In awarding the grants among eligible partnerships that do not include such agencies, the Secretary shall give priority to an eligible partnership that—

''(A) includes a business (such as a corporation); and

''(B) demonstrates that the business will—

''(i) provide a non-Federal share of the cost of the activities carried out under section 2213; and

''(ii) provide a greater non-Federal share of the cost of the activities than the business provided prior to the date the partnership received that priority.

''(3) NON-FEDERAL SHARE.—The non-Federal share provided by a business under paragraph (2) may be provided in cash or in kind, fairly evaluated, including plant, equipment, or services.

SA 532. Mr. DURBIN (for himself, Mr. SCHUMER, and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 362, line 14, strike ''$500,000,000'' and insert ''$900,000,000''.

SA 533. Mr. NELSON of Nebraska submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 586, between lines 18 and 19, insert the following:

SEC. 405. MENTORING PROGRAMS.

Title IV of Elementary and Secondary Education Act of 1965 is further amended by adding at the end the following:

"PART E—MENTORING PROGRAMS

"SEC. 4501. DEFINITIONS.

''In this part:

''(1) CHILD WITH GREATEST NEED.—The term 'child with greatest need' means a child at risk of educational failure, dropping out of school, or involvement in criminal or delinquent activities, or that has lack of strong positive adult role models.

''(2) MENTOR.—The term 'mentor' means an individual who works with a child to provide a positive role model for the child, to establish a supportive relationship with the child, and to provide the child with academic assistance and exposure to new experiences and examples of opportunity that enhance the ability of the child to become a responsible adult.

''(3) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"SEC. 4502. PURPOSES.

''The purposes of this part are to make assistance available to promote mentoring programs for children with greatest need—

''(1) to assist such children in receiving support and guidance from a caring adult;

''(2) to improve the academic performance of such children;

''(3) to improve interpersonal relationships between such children and their peers, teachers, other adults, and family members;

''(4) to reduce the dropout rate of such children; and

''(5) to reduce juvenile delinquency and involvement in gangs by such children.

''SEC. 4503. GRANT PROGRAM.

''(a) IN GENERAL.—In accordance with this section, the Secretary may make grants to eligible entities to assist such entities in establishing and supporting mentoring programs and activities that—

''(1) are designed to link children with greatest need (particularly such children living in rural areas, high crime areas, or troubled home environments, or such children experiencing educational failure) with responsible adults, who—

''(A) have received training and support in mentoring;

''(B) have been screened using appropriate reference checks, child and domestic abuse record checks, and criminal background checks; and

''(C) are interested in working with youth; and

''(2) are intended to achieve 1 or more of the following goals:

''(A) Provide general guidance to children with greatest need.

''(B) Promote personal and social responsibility among children with greatest need.

''(C) Increase participation by children with greatest need in, and enhance their ability to benefit from, elementary and secondary education.

''(D) Discourage illegal use of drugs and alcohol, violence, use of dangerous weapons, promiscuous behavior, and other criminal, harmful, or potentially harmful activity by children with greatest need.

''(E) Encourage children with greatest need to participate in community service and community activities.

''(F) Encourage children with greatest need to set goals for themselves or to plan for their futures, including encouraging such children to make graduation from secondary school a goal and to make plans for postsecondary education or training.

''(G) Discourage involvement of children with greatest need in gangs.

''(b) ELIGIBLE ENTITIES.—Each of the following is an entity eligible to receive a grant under subsection (a):

''(1) A local educational agency.

''(2) A nonprofit, community-based organization.

''(3) A partnership between an agency referred to in paragraph (1) and an organization referred to in paragraph (2).

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—Each entity receiving a grant under this section shall use the grant funds for activities that establish or implement a mentoring program, including—

''(A) hiring of mentoring coordinators and support staff;

''(B) providing for the professional development of mentoring coordinators and support staff;

''(C) recruitment, screening, and training of adult mentors;

''(D) reimbursement of schools, if appropriate, for the use of school materials or supplies in carrying out the program;

''(E) dissemination of outreach materials;

''(F) evaluation of the program using scientifically based methods; and

''(G) such other activities as the Secretary may reasonably prescribe by rule.

''(2) PROHIBITED USES.—Notwithstanding paragraph (1), an entity receiving a grant under this section may not use the grant funds—

''(A) to directly compensate mentors;

''(B) to obtain educational or other materials or equipment that would otherwise be used in the ordinary course of the entity's operations;

''(C) to support litigation of any kind; or

''(D) for any other purpose reasonably prohibited by the Secretary by rule.

''(d) TERM OF GRANT.—Each grant made under this section shall be available for expenditure for a period of 3 years.

''(e) APPLICATION.—Each eligible entity seeking a grant under this section shall submit to the Secretary an application that includes—

''(1) a description of the mentoring plan the applicant proposes to carry out with such grant;

''(2) information on the children expected to be served by the mentoring program for which such grant is sought;

''(3) a description of the mechanism that applicant will use to match children with mentors based on the needs of the children;

''(4) an assurance that no mentor will be assigned to mentor so many children that the assignment would undermine either the mentor's ability to be an effective mentor or the mentor's ability to establish a close relationship (a one-on-one relationship, where practicable) with each mentored child;

''(5) an assurance that mentoring programs will provide children with a variety of experiences and support, including—

''(A) emotional support;

''(B) academic assistance; and

''(C) exposure to experiences that children might not otherwise encounter on their own;

''(6) an assurance that mentoring programs will be monitored to ensure that each child assigned a mentor benefits from that assignment and that there will be a provision for the assignment of a new mentor if the relationship between the original mentor is not beneficial to the child;

''(7) information on the method by which mentors and children will be recruited to the mentor program;

''(8) information on the method by which prospective mentors will be screened;

''(9) information on the training that will be provided to mentors; and

''(10) information on the system that the applicant will use to manage and monitor information relating to the program's reference checks, child and domestic abuse record checks, and criminal background checks and to its procedure for matching children with mentors.

''(f) SELECTION.—

''(1) COMPETITIVE BASIS.—In accordance with this subsection, the Secretary shall select grant recipients from among qualified applicants on a competitive basis.

''(2) PRIORITY.—In selecting grant recipients under paragraph (1), the Secretary shall give priority to each applicant that—

''(A) serves children with greatest need living in rural areas, high crime areas, or troubled home environments, or who attend schools with violence problems;

''(B) provides background screening of mentors, training of mentors, and technical assistance in carrying out mentoring programs;

''(C) proposes a mentoring program under which each mentor will be assigned to not more children than the mentor can serve effectively; or

''(D) proposes a school-based mentoring program.

''(3) OTHER CONSIDERATIONS.—In selecting grant recipients under paragraph (1), the Secretary shall also consider—

''(A) the degree to which the location of the programs proposed by each applicant contributes to a fair distribution of programs with respect to urban and rural locations;

''(B) the quality of the mentoring programs proposed by each applicant, including—

''(i) the resources, if any, the applicant will dedicate to providing children with opportunities for job training or postsecondary education;

''(ii) the degree to which parents, teachers, community-based organizations, and the local community have participated, or will participate, in the design and implementation of the applicant's mentoring program;

''(iii) the degree to which the applicant can ensure that mentors will develop long-standing relationships with the children they mentor;

''(iv) the degree to which the applicant will serve children with greatest need in the 4th, 5th, 6th, 7th, and 8th grades; and

''(v) the degree to which the program will continue to serve children from the 4th grade through graduation from secondary school; and

''(C) the capability of each applicant to effectively implement its mentoring program.

''(4) GRANT TO EACH STATE.—Notwithstanding any other provision of this subsection, in selecting grant recipients under paragraph (1), the Secretary shall select not less than 1 grant recipient from each State for which there is a qualified applicant.

''(g) MODEL SCREENING GUIDELINES.—

''(1) IN GENERAL.—Based on model screening guidelines developed by the Office of Juvenile Programs of the Department of Justice, the Secretary shall develop and distribute to program participants specific model guidelines for the screening of mentors who seek to participate in programs to be assisted under this part.

''(2) BACKGROUND CHECKS.—The guidelines developed under this subsection shall include, at a minimum, a requirement that potential mentors be subject to reference checks, child and domestic abuse record checks, and criminal background checks.

''SEC. 4504. STUDY BY GENERAL ACCOUNTING OFFICE.

''(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study to identify successful school-based mentoring programs, and the elements, policies, or procedures of such programs that can be replicated.

''(b) REPORT.—Not later than 3 years after the date of the enactment of this part, the Comptroller General shall submit a report to the Secretary and Congress containing the results of the study conducted under this section.

''(c) USE OF INFORMATION.—The Secretary shall use information contained in the report referred to in subsection (b)—

''(1) to improve the quality of existing mentoring programs assisted under this part and other mentoring programs assisted under this Act; and

''(2) to develop models for new programs to be assisted or carried out under this Act.

''SEC. 4505. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out section 4503 $50,000,000 for fiscal year 2002 and such sums as may be necessary for each of fiscal years 2003 through 2006.''.

SA 534. Mrs. HUTCHISON (for herself, Mr. WELLSTONE, Mr. DEWINE, Mrs. CLINTON, Mr. SCHUMER, Mr. BIDEN, Mr. CRAPO, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs

and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 309, lines 17 and 18, strike ''subsection (f)'' and insert ''subsections (e) and (f)''.

On page 339, line 6, strike ''(e)'' and insert ''(d)''.

Beginning on page 340, strike line 9 and all that follows through page 341, line 8.

On page 341, line 9, strike ''(e)'' and insert ''(d)''.

On page 341, between lines 21 and 22, insert the following:

''(e) CAREERS TO CLASSROOMS.—

''(1) PURPOSES.—The purposes of this subsection are—

''(A) to establish a program to recruit and retain highly qualified mid-career professionals, recent graduates from an institution of higher education, and certain paraprofessionals, as teachers in high need schools, including recruiting teachers through alternative routes to certification; and

''(B) to encourage the development and expansion of alternative routes to certification under State-approved programs that enable individuals to be eligible for teacher certification within a reduced period of time, relying on the experience, expertise, and academic qualifications of an individual, or other factors in lieu of traditional course work in the field of education.

''(2) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE PARTICIPANT.—The term 'eligible participant' means—

''(i) an individual with substantial, demonstrable career experience and competence in a field for which there is a significant shortage of qualified teachers, such as mathematics, natural science, technology, engineering, and special education;

''(ii) an individual who is a graduate of an institution of higher education who—

''(I) has graduated not later than 3 years before applying to an agency or consortium to teach under this subsection;

''(II) in the case of an individual wishing to teach in a secondary school, has completed an academic major (or courses totaling an equivalent number of credit hours) in the academic subject that the individual will teach;

''(III) has graduated in the top 50 percent of the individual's undergraduate or graduate class;

''(IV) can demonstrate a high level of competence through a high level of performance in the academic subject that the individual will teach; and

''(V) meets any additional academic or other standards or qualifications established by the State; or

''(iii) a paraprofessional who—

''(I) has been working as a paraprofessional in an instructional role in an elementary school or secondary school for at least 2 years;

''(II) can demonstrate that the paraprofessional is capable of completing a bachelor's degree in not more than 2 years and is in the top 50 percent of the individual's undergraduate class;

''(III) will work toward completion of an academic major (or courses totaling an equivalent number of credit hours) in the academic subject that the paraprofessional will teach; and

''(IV) can demonstrate a high level of competence through a high level of performance in the academic subject that the paraprofessional will teach.

''(B) HIGH NEED LOCAL EDUCATIONAL AGENCY.—The term 'high need local educational agency' means a local educational agency that serves—

''(i) a high need school district; and

''(ii) a high need school.

''(C) HIGH NEED SCHOOL.—The term 'high need school' means a school that—

''(i)(I) is located in an area in which the percentage of students from families with incomes below the poverty line is 30 percent or more; or

''(II) is located in an area, other than a metropolitan statistical area, that the State determines has a high percentage of students from families with incomes below the poverty line or that has experienced greater than normal difficulty in recruiting or retaining teachers; and

''(ii)(I) is located in an area in which there is a high percentage of secondary school teachers not teaching in the content area in which teachers were trained to teach, is within the top quartile of schools statewide, as ranked by the number of unfilled, available teacher positions at the schools, is located in an area in which there is a high teacher turnover rate, or is located in an area in which there is a high percentage of teachers who are not certified or licensed.

''(D) HIGH NEED SCHOOL DISTRICT.—The term 'high need school district' means a school district in which there is—

''(i)(I) a high need school; and

''(II) a high percentage of individuals from families with incomes below the poverty line; and

''(ii)(I) a high percentage of secondary school teachers not teaching in the content area in which the teachers were trained to teach; or

''(II) a high teacher turnover rate.

''(E) POVERTY LINE.—The term 'poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

''(3) GRANT PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a program to make grants on a competitive basis to State educational agencies, regional consortia of State educational agencies, high need local educational agencies, and consortia of high need local educational agencies, to develop State and local teacher corps or other programs to establish, expand, or enhance teacher recruitment and retention efforts.

''(B) PRIORITY.—In making such a grant, the Secretary shall give priority to an agency or consortium of agencies that applies for the grant in collaboration with an institution of higher education or a nonprofit organization that has a proven record of effectively recruiting and retaining highly qualified teachers in high need school districts.

''(4) APPLICATION.—

''(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an agency or consortium described in paragraph (3) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) CONTENTS.—The application shall—

''(i) describe how the agency or consortium will use funds received under this subsection to develop a teacher corps or other program to recruit and retain highly qualified mid-career professionals, recent graduates from an institution of higher education, and paraprofessionals as teachers in high need schools;

''(ii) explain how the agency or consortium will determine that teacher candidates seeking to participate in a program under this section are eligible participants;

''(iii) explain how the program will meet the relevant State laws (including regulations) related to teacher certification and licensing;

''(iv) explain how the agency or consortium will ensure that no paraprofessional will be hired through the program as a teacher until the paraprofessional has obtained a bachelor's degree and meets the requirements of subclauses (II) through (V) of paragraph (2)(A)(ii);

''(v) include a determination of the high need academic subjects in the jurisdiction served by the agency or consortium and how the agency or consortium will recruit teachers for those subjects;

''(vi) describe how the grant will increase the number of highly qualified teachers in high need schools in high need school districts that are urban or rural school districts;

''(vii) describe how the agency or consortium described in paragraph (3) has met the requirements of subparagraph (C);

''(viii) describe how the agency or consortium will coordinate the activities carried out with the funds with activities carried out with other Federal, State, and local funds for teacher recruitment and retention;

''(ix) describe the plan of the agency or consortium described in paragraph (3) to recruit and retain highly qualified teachers in the high need academic subjects and high need schools and facilitate the certification or licensing of such teachers; and

''(x) describe how the agency or consortium described in paragraph (3) will meet the requirements of paragraph (7)(A).

''(C) COLLABORATION.—In developing the application, the agency or consortium shall consult with and seek input from—

''(i) in the case of a partnership established by a State educational agency or consortium of such agencies, representatives of local educational agencies, including teachers, principals, superintendents, and school board members (including representatives of their professional organizations if appropriate);

''(ii) in the case of a partnership established by a local educational agency or a consortium of such agencies, representatives of a State educational agency;

''(iii) elementary school and secondary school teachers, including representatives of their professional organizations;

''(iv) institutions of higher education;

''(v) parents; and

''(vi) other interested individuals and organizations, such as businesses, experts in curriculum development, and nonprofit organizations with a proven record of effectively recruiting and retaining highly qualified teachers in high need school districts.

''(5) DURATION OF GRANTS.—The Secretary may make grants under this subsection for periods of 5 years. At the end of the 5-year period for such a grant, the grant recipient may apply for an additional grant under this subsection.

''(6) EQUITABLE DISTRIBUTION.—The Secretary shall ensure an equitable geographic distribution of grants among the regions of the United States.

''(7) REQUIREMENTS.—

''(A) TARGETING.—An agency or consortium that receives a grant under this subsection to carry out a program shall ensure that participants in the program recruited with funds made available under this subsection are placed in high need schools, within high

need school districts. In placing the participants in the schools, the agency or consortium shall give priority to the schools that are located in areas with the highest percentage of students from families with incomes below the poverty line.

''(B) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subsection shall be used to supplement and not supplant State and local public funds expended for teacher recruitment and retention programs, including programs to recruit the teachers through alternative routes to certification.

''(C) PARTNERSHIPS ESTABLISHED BY LOCAL EDUCATIONAL AGENCIES.—In the case of a partnership established by a local educational agency or a consortium of such agencies to carry out a program under this section the local educational agency or consortium shall not be eligible to receive funds through a State program under this section.

''(8) USES OF FUNDS.—

''(A) IN GENERAL.—An agency or consortium that receives a grant under this subsection shall use the funds made available through the grant to develop a teacher corps or other program in order to establish, expand, or enhance a teacher recruitment and retention program for highly qualified mid-career professionals, graduates of institutions of higher education, and paraprofessionals, who are eligible participants, including activities that provide alternative routes to teacher certification.

''(B) SPECIFIC ACTIVITIES.—The agency or consortium shall use the funds to carry out a teacher corps or other program that includes 2 or more activities that consist of—

''(i)(I) providing loans, scholarships, stipends, bonuses, and other financial incentives, that are linked to participation in activities that have proven effective in retaining teachers in higher need school districts, to all eligible participants (in an amount of not more than the lesser of $5,000 per eligible participant) who—

''(aa) are enrolled in a program under this section located in a State; and

''(bb) agree to seek certification through alternative routes to certification in that State; and

''(II) giving a preference, in awarding the loans, scholarships, stipends, bonuses, and other financial incentives, to individuals who the State determines have financial need for such loans, scholarships, stipends, bonuses, and other financial incentives;

''(ii) making payments (in an amount of not more than $5,000 per eligible participant) to schools to pay for costs associated with accepting teachers recruited under this subsection from among eligible participants or to provide financial incentives to prospective teachers who are eligible participants;

''(iii) providing mentoring;

''(iv) providing internships;

''(v) carrying out co-teaching arrangements;

''(vi) providing high quality, sustained in-service professional development opportunities;

''(vii) offering opportunities for teacher candidates to participate in preservice, high quality course work;

''(viii) collaboration with institutions of higher education in developing and implementing programs to facilitate teacher recruitment (including teacher credentialing) and teacher retention programs;

''(ix) providing accelerated paraprofessional-to-teacher programs that provide a paraprofessional with sufficient training and development to enable the paraprofessional to complete a bachelor's degree and fulfill other State certification or licensing requirements and that provide full pay and leave from paraprofessional duties for the period necessary to complete the degree and become certified or licensed; and

''(x) carrying out other programs, projects, and activities that—

''(I) are designed and have proven to be effective in recruiting and retaining teachers; and

''(II) the Secretary determines to be appropriate.

''(C) DEVELOPMENT OF LONG-TERM RECRUITMENT AND RETENTION STRATEGIES.—In addition to the activities authorized under subparagraph (B), an agency or consortium that receives a grant under this subsection may use the funds made available through the grant for—

''(i) the establishment and operation, or expansion and improvement, of a statewide or regionwide clearinghouse for the recruitment and placement of preschool, elementary school, secondary school, and vocational and technical school teachers (which shall not be subject to the targeting requirements under paragraph (7)(A));

''(ii) the establishment of administrative structures necessary for the development and implementation of programs to provide alternative routes to certification;

''(iii) the development of reciprocity agreements between or among States for the certification or licensure of teachers; and

''(iv) the implementation of other activities designed to ensure the use of long-term teacher recruitment and retention strategies.

''(D) EFFECTIVE ACTIVITIES.—The agency or consortium shall use the funds only for activities that have proven effective in both recruiting and retaining teachers.

''(9) REPAYMENT.—The recipient of a loan under this subsection shall immediately repay amounts received under such loan, and the recipient of a scholarship, stipend, bonus, or other financial incentive under this subsection shall repay amounts received under such scholarship, stipend, bonus, or other financial incentive, to the agency or consortium from which the loan, scholarship, stipend, bonus, or other financial incentive was received if—

''(A) the recipient involved fails to complete the applicable program providing alternative routes to certification;

''(B) the recipient rejects a bona fide offer of employment at a high need school served by that agency or consortium during the 1-year period beginning on the date on which the recipient completes such a program; or

''(C) the recipient fails to teach for at least 2 years in a high need school served by that agency or consortium during the 5-year period beginning on the date on which the individual completes such a program.

''(10) ADMINISTRATIVE FUNDS.—No agency or consortium that receives a grant under this subsection shall use more than 5 percent of the funds made available through the grant for the administration of a program under this section carried out under the grant.

''(11) EVALUATION AND ACCOUNTABILITY FOR RECRUITING AND RETAINING TEACHERS.—

''(A) EVALUATION.—Each agency or consortium that receives a grant under this subsection shall conduct—

''(i) an interim evaluation of the program funded under the grant at the end of the third year of the grant period; and

''(ii) a final evaluation of the program at the end of the fifth year of the grant period.

''(B) CONTENTS.—In conducting the evaluation, the agency or consortium shall describe the extent to which local educational agencies that received funds through the grant have met those goals relating to teacher recruitment and retention described in the application.

''(C) REPORTS.—The agency or consortium shall prepare and submit to the Secretary and to Congress interim and final reports containing the results of the interim and final evaluations, respectively.

''(D) REVOCATION.—If the Secretary determines that the recipient of a grant under this subsection has not made substantial progress in meeting the goals and objectives of the grant by the end of the third year of the grant period, the Secretary—

''(i) shall revoke the payment made for the fourth year of the grant period; and

''(ii) shall not make a payment for the fifth year of the grant period.

''(12) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

On page 383, after line 21, add the following:

SEC. ___. MODIFICATION OF TROOPS-TO-TEACHERS PROGRAM.

(a) PURPOSE.—The purpose of this section is to authorize a mechanism for the funding and administration of the Troops-to-Teachers Program established by the Troops-to-Teachers Program Act of 1999 (title XVII of the National Defense Authorization Act for Fiscal Year 2000).

(b) DEFINITIONS.—Section 1701 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9301) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''means'' and all that follows and inserting ''means the Secretary of Education'';

(B) by striking paragraph (2);

(C) by redesignating paragraphs (3) and (4), as paragraphs (2) and (3), respectively; and

(D) in paragraph (2) (as so redesignated), by inserting before the period the following: ''and active and former members of the Coast Guard''; and

(2) by adding at the end the following:

''(c) ADMINISTRATION.—To the extent that funds are made available under this title, the administering Secretary shall use such funds to enter into a memorandum of agreement with the Defense Activity for Non-Traditional Education Support (referred to in this subsection as 'DANTES'), of the Department of Defense. DANTES shall use amounts made available under the memorandum of agreement to administer the Troops-to-Teachers Program, including the selection of participants in the Program in accordance with section 1704. The administering Secretary may retain a portion of the funds to identify local educational agencies with concentrations of children from low-income families or with teacher shortages and States with alternative certification or licensure requirements, as required by section 1702.''.

(c) AUTHORIZATION.—Section 1702 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9302) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''after their discharge or release, or retirement,'' and insert ''who retire''; and

(ii) by striking ''and'' at the end;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1), the following:

''(2) to assist members of the active reserve forces to obtain certification or licensure as elementary or secondary school teachers or as vocational or technical teachers; and''; and

(2) by adding at the end the following:

''(e) FUNDING.—The administering Secretary shall provide appropriate funds to the Secretary of Defense to enable the Secretary of Defense to manage and operate the Troops-to-Teachers Program.''.

(d) ELIGIBLE MEMBERS.—Section 1703 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9303) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ELIGIBLE MEMBERS.—Subject to subsection (c), any member of the Armed Forces who, during the period beginning on October 1, 2000, and ending on September 30, 2006, retired from the active duty or who is a member of the active reserve and who satisfies such other criteria for the selection as the administering Secretary may require, shall be eligible for selection to participate in the Troops-to-Teachers Program.''; and

(2) in subsection (d)—

(A) by striking ''(1) The administering Secretary'' and inserting ''Secretary of Defense''; and

(B) by striking paragraph (2); and

(3) by adding at the end the following:

''(e) PLACEMENT ASSISTANCE AND REFERRAL SERVICES.—The administering Secretary may, with the agreement of the Secretary of Defense, provide placement assistance and referral services to members of the Armed Forces who separated from active duty under honorable circumstances. Such members shall meet education qualification requirements under subsection (b). Such members shall not be eligible for financial assistance under subsections (a) and (b) of section 1705.''.

(e) SELECTION OF PARTICIPANTS.—Section 1704 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9304) is amended—

(1) in subsection (a), by striking ''on a timely basis'';

(2) by striking subsection (b);

(3) in subsection (e)—

(A) in the matter preceding paragraph (1), by inserting ''and receives financial assistance'' after ''Program''; and

(B) in paragraph (2), by striking ''four school'' and all that follows and inserting ''three school years with a local educational agency, except that the Secretary of Defense may waive the 3 year commitment if the Secretary determines such waiver to be appropriate.'';

(4) in subsection (f), by striking ''subsection (e)'' and inserting ''subsection (d)''; and

(5) by redesignating subsections (c) through (f) as subsection (b) through (e), respectively.

(f) STIPENDS AND BONUSES.—Section 1705 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9305) is amended—

(1) in subsection (a)—

(A) by striking ''(1) Subject'' and inserting ''Subject''; and

(B) by striking paragraph (2);

(2) in subsection (b)—

(A) by striking paragraph (2);

(B) in paragraph (3)—

(i) by striking subparagraphs (A) through (D) and inserting the following:

''(A) The school is in a low-income school district as defined by the administering Secretary.''; and

(ii) by redesignating subparagraphs (E) and (F), as subparagraphs (B) and (C), respectively; and

(C) by redesignating paragraph (3) as paragraph (2); and

(3) in subsection (d)—

(A) by striking ''four years'' each place that such appears and inserting ''three years''; and

(B) in paragraph (2), by striking ''1704(e)'' and inserting ''1704(d)''.

(g) PARTICIPATION BY STATES.—Section 1706(b) of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9306(b)) is amended—

(1) by striking ''(1) Subject to paragraph (2), the'' and inserting ''The''; and

(2) by striking paragraph (2).

(h) SUPPORT OF TEACHER CERTIFICATION PROGRAMS.—The Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9301 et seq.) is amended by striking 1707 through 1709 and inserting the following:

"SEC. 1707. SUPPORT OF INNOVATIVE, PRE-RETIREMENT TEACHER CERTIFICATION PROGRAMS.

''(a) IN GENERAL.—The administering Secretary may enter into a memorandum of agreements with institutions of higher education to develop, implement, and demonstrate teacher certification programs for pre-retirement military personnel for the purpose of preparing such personnel to transition to teaching as a second career. Such program shall—

''(1) provide for the recognition of military experience and training as related to licensure or certification requirements;

''(2) provide courses of instruction that may be provided at military installations;

''(3) incorporate alternative approaches to achieve teacher certification such as innovative methods to gaining field based teaching experiences, and assessments of background and experience as related to skills, knowledge and abilities required of elementary or secondary school teachers; and

''(4) provide for the delivery of courses through distance education methods.

''(b) APPLICATIONS PROCEDURES.—

''(1) IN GENERAL.—An institution of higher education, or a consortia of such institutions, that desires to enter into an memorandum under subsection (a) shall prepare and submit to the administering Secretary a proposal, at such time, in such manner, and containing such information as the administering Secretary may require, including an assurance that the institution is operating one or more programs that lead to State approved teacher certification.

''(2) PREFERENCE.—The administering Secretary shall give a preference to institutions (or consortia) submitting proposals that provide for cost sharing with respect to the program involved.

''(c) CONTINUATION OF PROGRAM.—An institution of higher education that desires to continue a program that is funded under this section after such funding is terminated shall use amounts derived from tuition charges to continue such program.

"SEC. 1708. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated to carry out this title, $50,000,000 in fiscal year 2002, and such sums as may be necessary in each subsequent fiscal year.''.

SA 535. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PARENTS' RIGHT-TO-KNOW.

Title VI (20 U.S.C. 7301 et seq.), as amended, is further amended by adding at the end the following:

"PART B—PARENTS' RIGHT-TO-KNOW

"SEC. 6401. SHORT TITLE.

''This part may be cited as the ''Parents' Right-to-Know Act of 2001'.

"SEC. 6402. FINDINGS.

''Congress makes the following findings:

''(1) Parents, educators, community leaders, school board members, and business leaders need to be able to come to a common understanding of how well each school is educating students.

''(2) Fair and accurate school information requires the use of longitudinal student data that links student records over time and takes student mobility and prior academic performance into account.

''(3) Fair and accurate school information requires the ability to create school comparisons that match schools with other schools that face equal or greater challenges.

''(4) Fair and accurate school information empowers educators to investigate and learn from the promising practices at high-performing schools.

''(5) Fair and accurate school information is therefore a critical part of the school improvement process.

"SEC. 6403. STATE REPORTING OF STUDENT PERFORMANCES.

''(a) IN GENERAL.—Notwithstanding any other provision of this Act, a State shall be deemed to be in compliance with the requirements of title I relating to the reporting of information on student performance if the State develops a longitudinal data system that links individual student test scores, enrollment, and graduation records over time and provides to the Secretary a report that contains—

''(1) test data with respect to students in public schools in such State; and

''(2) other information related to the performance of continuously enrolled students in schools in the State and to the quality of such schools.

''(b) REPORT CARDS.—

''(1) IN GENERAL.—The information to be included in a report under subsection (a) shall be compiled in a report card format that is easily understandable and shall be made available in multiple languages.

''(2) CONTENTS.—Each report card under this section shall include—

''(A) information from longitudinal data systems linking individual student test scores, length of enrollment, and graduation records over time, the information from which shall be provided to the Secretary and to the public in disaggregated form in order to enable parents and others to compare—

''(i) students and schools in similar income, geographic, racial, English proficiency, and disability categories;

''(ii) students in similar categories of academic achievement prior to enrolling in the school to which the reported test data apply; and

''(iii) students in similar categories of academic achievement prior to enrolling in the school to which the reported test data apply, and who have been continuously enrolled in that school for 2 or 3 years;

''(B) State-specific normalization of data in order to enable parents, students, and others to be able to compare student performance between specific schools and, where available, trends in school, district, and State performance;

''(C) information regarding the State or local education agency's own quantitative

and qualitative assessments of each school and whether the school has been identified by the State or local education agency as failing, underperforming or otherwise in need of improvement;

''(D) information on the number of untested students in each grade and subject and descriptions of why those students were not tested;

''(E) information on the performance of students who have been continuously enrolled in the same school for 3 years or more, for grades where the school's grade configuration permits such reports;

''(F) information on the performance of students who have been continuously enrolled in the same school for 2 years or more, for grades where the school's grade configuration permits such reports;

''(G) the percentage of students in each school who are enrolled in special education programs, are from families whose incomes are below the Federal poverty line, and who have limited or no English proficiency;

''(H) information regarding the professional qualifications of the student's classroom teachers, including, at a minimum—

''(i) whether each teacher is fully qualified for the grade levels and subject areas in which the teacher provides instruction;

''(ii) whether each teacher is teaching under emergency or other provisional status through which State certification or licensing criteria are waived;

''(iii) the baccalaureate degree major of each teacher, any other graduate certification or degree held by the teacher, and the field of discipline of each such certification or degree; and

''(iv) whether the student is provided services by paraprofessionals, and the qualifications of any such paraprofessional.

''(c) NATIONAL DISTRIBUTION OF REPORT CARDS.—

''(1) IN GENERAL.—The Secretary shall compile information collected under this section and make such information available in electronic form on the Internet and through other means that ensure broad distribution to the public, other government agencies, and to any other individuals who may request such information.

''(2) ADDITIONAL INFORMATION.—Additional information that may be of use to parents, students, and others in evaluating schools, school districts, teachers, and the educational options available to students shall also be included with student performance data, as the Secretary determines to be appropriate. Such information may include information compiled by other public and private entities, including the National Institute for Education Research, the National Center for Education Statistics, the National Assessment of Educational Progress, and the National Assessment Governing Board.

''(d) PRIVACY.—The Secretary shall ensure that all personally identifiable information about students, their educational performance, and their families, and information with respect to individual schools, submitted under this section remain confidential, in accordance with section 552a of title 5, United States Code.

''(e) GRANTS.—

''(1) IN GENERAL.—The Secretary may award grants, on a competitive basis, to States for the purpose of enabling such State to carry out this section.

''(2) AUTHORIZATION OF APPROPRIATIONS.—For purposes of carrying out this section, there are authorized to be appropriated $50,000,000 for fiscal year 2002, and such sums as may be necessary for each fiscal year thereafter.''.

SA 536. Mr. GREGG (for himself and Mr. HUTCHINSON) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 628, between lines 9 and 10, insert the following:

''Subpart 4—Low-Income School Choice Demonstration

''SEC. 5161. LOW-INCOME SCHOOL CHOICE DEMONSTRATION.

''(a) SHORT TITLE.—This section may be cited as the 'Low-Income School Choice Demonstration Act of 2001'.

''(b) PURPOSE.—The purpose of this section is to determine the effectiveness of school choice in improving the academic achievement of disadvantaged students and the overall quality of public schools and local educational agencies.

''(c) DEFINITIONS.—In this section:

''(1) CHOICE SCHOOL.—The term 'choice school' means any public school, including a public charter school, that is not identified under section 1116, or any private school, including a private sectarian school, that is involved in a demonstration project assisted under this section.

''(2) ELIGIBLE CHILD.—The term 'eligible child' means a child in grades kindergarten through 12—

''(A) who is eligible for free or reduced price meals under the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1964;

''(B) who attended a public elementary or secondary school, or who was not yet of school age, in the year preceding the year in which the child intends to participate in the project under this section; and

''(C) who attends, or is to attend, a public school that has been identified as failing for 3 consecutive years under section 1116 or by the State's accountability system.

''(3) ELIGIBLE ENTITY.—The term 'eligible entity' means a public agency, institution, or organization, such as a State, a State or local educational agency, a county or municipal agency, a consortium of public agencies, or a consortium of public agencies and private nonprofit organizations, that can demonstrate, to the satisfaction of the Secretary, its ability to—

''(A) receive, disburse, and account for Federal funds; and

''(B) carry out the activities described in its application under this section.

''(4) EVALUATING ENTITY.—The term 'evaluating entity' means an independent third party entity, including any academic institution, or private or nonprofit organization, with demonstrated expertise in conducting evaluations, that is not an agency or instrumentality of the Federal Government.

''(5) PARENT.—The term 'parent' includes a legal guardian or other individual acting in loco parentis.

''(6) SCHOOL.—The term 'school' means a school that provides elementary education or secondary education (through grade 12), as determined under State law.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $50,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years, to carry out this section.

''(e) PROGRAM AUTHORIZED.—

''(1) RESERVATION.—From the amount appropriated pursuant to the authority of subsection (d) in any fiscal year, the Secretary shall reserve and make available to the evaluating agency 5 percent for the evaluation of programs assisted under this section in accordance with subsection (k).

''(2) GRANTS.—

''(A) IN GENERAL.—From the amount appropriated pursuant to the authority of subsection (d) and not reserved under paragraph (1) for any fiscal year, the Secretary shall award grants to eligible entities to enable such entities to carry out not more than 13 demonstration projects (which may include projects in 10 cities and an additional 3 States) under which low-income parents receive education certificates for the costs of enrolling their eligible children in a choice school.

''(B) CONTINUING ELIGIBILITY.—The Secretary shall continue a demonstration project under this section by awarding a grant under subparagraph (A) to an eligible entity that received such a grant for a fiscal year preceding the fiscal year for which the determination is made, if the Secretary determines that such eligible entity was in compliance with this section for such preceding fiscal year.

''(3) USE OF GRANTS.—Grants awarded under paragraph (2) shall be used to pay the costs of—

''(A) providing education certificates to low-income parents to enable such parents to pay the tuition, the fees, the allowable costs of transportation, if any, and the costs of complying with subsection (i)(1)(A), if any, for their eligible children to attend a choice school; and

''(B) administration of the demonstration project, which shall not exceed 15 percent of the amount received in the first fiscal year for which the eligible entity provides education certificates under this section or 10 percent in any subsequent year, including—

''(i) seeking the involvement of choice schools in the demonstration project;

''(ii) providing information about the demonstration project, and the schools involved in the demonstration project, to parents of eligible children;

''(iii) making determinations of eligibility for participation in the demonstration project for eligible children;

''(iv) selecting students to participate in the demonstration project;

''(v) determining the amount of, and issuing, education certificates;

''(vi) compiling and maintaining such financial and programmatic records as the Secretary may prescribe; and

''(vii) collecting such information about the effects of the demonstration project as the evaluating agency may need to conduct the evaluation described in subsection (k).

''(4) CIVIL RIGHTS.—

''(A) IN GENERAL.—A choice school participating in the project under this section shall comply with title VI of the Civil Rights Act of 1964 and shall not discriminate on the basis of race, color, national origin, or sex in carrying out the provisions of this section.

''(B) APPLICABILITY AND CONSTRUCTION WITH RESPECT TO DISCRIMINATION ON THE BASIS OF SEX.—

''(i) APPLICABILITY.—With respect to discrimination on the basis of sex, subparagraph (A) shall not apply to a choice school that is controlled by a religious organization if the application of such subparagraph is inconsistent with the religious tenets of the choice school.

''(ii) CONSTRUCTION.—With respect to discrimination on the basis of sex, nothing in subparagraph (A) shall be construed to require any person, or public or private entity

to provide or pay, or to prohibit any such person or entity from providing or paying, for any benefit or service, including the use of facilities, related to an abortion. Nothing in the preceding sentence shall be construed to permit a penalty to be imposed on any person or individual because such person or individual is seeking or has received any benefit or service related to a legal abortion.

''(iii) SINGLE-SEX SCHOOLS, CLASSES, OR ACTIVITIES.—With respect to discrimination on the basis of sex, nothing in subparagraph (A) shall be construed to prevent a parent from choosing, or a choice school from offering, a single-sex school, class, or activity.

''(C) REVOCATION.—If the eligible entity determines that a choice school participating in the project under this section is in violation of subparagraph (A), then the eligible entity shall terminate the involvement of such schools in the project.

''(f) AUTHORIZED PROJECTS; PRIORITY.—

''(1) AUTHORIZED PROJECTS.—The Secretary may award a grant under this section only for a demonstration project that—

''(A) involves at least one local educational agency that receives funds under section 1124A; and

''(B) includes the involvement of a sufficient number of choice schools, in the judgment of the Secretary, to allow for a valid demonstration project.

''(2) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to demonstration projects—

''(A) involve at least one local educational agency that is among the 20 percent of local educational agencies receiving funds under section 1124A in the State and having the highest number of children described in section 1124(c);

''(B) that involve diverse types of choice schools; and

''(C) that will contribute to the geographic diversity of demonstration projects assisted under this section.

''(g) APPLICATIONS.—

''(1) IN GENERAL.—Any eligible entity that wishes to receive a grant under this section shall submit an application to the Secretary at such time and in such manner as the Secretary may prescribe.

''(2) CONTENTS.—Each application described in paragraph (1) shall contain—

''(A) information demonstrating the eligibility for participation in the demonstration program of the eligible entity;

''(B) with respect to choice schools—

''(i) a description of the standards used by the eligible entity to determine which schools are within a reasonable commuting distance of eligible children and present a reasonable commuting cost for such eligible children;

''(ii) a description of the types of potential choice schools that will be involved in the demonstration project;

''(iii)(I) a description of the procedures used to encourage public and private schools to be involved in the demonstration project; and

''(II) a description of how the eligible entity will annually determine the number of spaces available for eligible children in each choice school;

''(iv) an assurance that each choice school will not impose higher standards for admission or participation in its programs and activities for eligible children provided education certificates under this section than the choice school does for other children;

''(v) an assurance that each choice school operated, for at least 1 year prior to accepting education certificates under this section, an educational program similar to the educational program for which such choice school will accept such education certificates;

''(vi) an assurance that the eligible entity will terminate the involvement of any choice school that fails to comply with the conditions of its involvement in the demonstration project; and

''(vii) a description of the extent to which choice schools will accept education certificates under this section as full or partial payment for tuition and fees;

''(C) with respect to the participation in the demonstration project of eligible children—

''(i) a description of the procedures to be used to make a determination of eligibility for participation in the demonstration project for an eligible child, which shall include—

''(I) the procedures for obtaining, using and safeguarding information from applications for free or reduced price meals under the Richard B. Russell National School Lunch Act and the Child Nutrition Act of 1964; or

''(II) any other procedure, subject to the Secretary's approval, that accurately establishes the eligibility for such participation for an eligible child;

''(ii) a description of the procedures to be used to ensure that, in selecting eligible children to participate in the demonstration project, the eligible entity will give priority to eligible children from the lowest income families;

''(iii) a description of the procedures to be used to ensure maximum choice of schools for participating eligible children, including procedures to be used when—

''(I) the number of parents provided education certificates under this section who desire to enroll their eligible children in a particular choice school exceeds the number of eligible children that the choice school will accept; and

''(II) grant funds and funds from local sources are insufficient to support the total cost of choices made by parents with education certificates under this section; and

''(iv) a description of the procedures to be used to ensure compliance with subsection (i)(1)(A), which may include—

''(I) the direct provision of services by a local educational agency; and

''(II) arrangements made by a local educational agency with other service providers;

''(D) with respect to the operation of the demonstration project—

''(i) a description of the geographic area to be served;

''(ii) a timetable for carrying out the demonstration project;

''(iii) a description of the procedures to be used for the issuance and redemption of education certificates under this section;

''(iv) a description of the procedures by which a choice school will make a pro rata refund of the education certificate under this section for any participating eligible child who withdraws from the school for any reason, before completing 75 percent of the school attendance period for which the education certificate was issued;

''(v) a description of the procedures to be used to provide the parental notification described in subsection (j);

''(vi) an assurance that the eligible entity will place all funds received under this section into a separate account, and that no other funds will be placed in such account;

''(vii) an assurance that the eligible entity will provide the Secretary periodic reports on the status of such funds;

''(viii) an assurance that the eligible entity will cooperate with the evaluating entity in carrying out the evaluations described in subsection (k);

''(ix) an assurance that the eligible entity will—

''(I) maintain such records as the Secretary may require; and

''(II) comply with reasonable requests from the Secretary for information;

''(x) a description of the method by which the eligible entity will use to assess the progress of participants in math and reading and how such assessment is comparable to assessments used by the local educational agency involved;

''(xi) an assurance that if the number of students applying to participate in the project is greater than the number of students that the project can serve, participating students will be selected by a lottery; and

''(x) an assurance that no private school will be required to participate in the project without the private school's consent; and

''(E) such other assurances and information as the Secretary may require.

''(h) EDUCATION CERTIFICATES.—

''(1) IN GENERAL.—

''(A) AMOUNT.—The amount of an eligible child's education certificate under this section shall be determined by the eligible entity, but shall be an amount that provides to the recipient of the education certificate the maximum degree of choice in selecting the choice school the eligible child will attend.

''(B) CONSIDERATIONS.—

''(i) IN GENERAL.—Subject to such regulations as the Secretary shall prescribe, in determining the amount of an education certificate under this section an eligible entity shall consider—

''(I) the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project; and

''(II) the cost of complying with subsection (i)(1)(A).

''(ii) SCHOOLS CHARGING TUITION.—If an eligible child participating in a demonstration project under this section was attending a public school that charged tuition for the year preceding the first year of such participation, then in determining the amount of an education certificate for such eligible child under this section the eligible entity shall consider the tuition charged by such school for such eligible child in such preceding year.

''(C) SPECIAL RULE.—An eligible entity may provide an education certificate under this section to the parent of an eligible child who chooses to attend a school that does not charge tuition or fees, to pay the additional reasonable costs of transportation directly attributable to the eligible child's participation in the demonstration project or the cost of complying with subsection (i)(1)(A).

''(2) ADJUSTMENT.—The amount of the education certificate for a fiscal year may be adjusted in the second and third years of an eligible child's participation in a demonstration project under this section to reflect any increase or decrease in the tuition, fees, or transportation costs directly attributable to that eligible child's continued attendance at a choice school, but shall not be increased for this purpose by more than 10 percent of the amount of the education certificate for the fiscal year preceding the fiscal year for which the determination is made. The amount of the education certificate may also be adjusted in any fiscal year to comply with subsection (i)(1)(A).

''(3) MAXIMUM AMOUNT.—Notwithstanding any other provision of this subsection, the amount of an eligible child's education certificate shall not exceed the per pupil expenditure for elementary or secondary education, as appropriate, by the local educational agency in which the public school to which the eligible child would normally be assigned is located for the fiscal year preceding the fiscal year for which the determination is made.

''(4) INCOME.—An education certificate under this section, and funds provided under the education certificate, shall not be treated as income of the parents for purposes of Federal tax laws or for determining eligibility for any other Federal program.

''(i) EFFECT ON OTHER PROGRAMS; USE OF SCHOOL LUNCH DATA.—

''(1) EFFECT ON OTHER PROGRAMS.—

''(A) IN GENERAL.—An eligible child participating in a demonstration project under this section, who, in the absence of such a demonstration project, would have received services under part A of title I shall be provided such services.

''(B) PART B OF THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.—Nothing in this section shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act.

''(2) COUNTING OF ELIGIBLE CHILDREN.—Notwithstanding any other provision of law, any local educational agency participating in a demonstration project under this section may count eligible children who, in the absence of such a demonstration project, would attend the schools of such agency, for purposes of receiving funds under any program administered by the Secretary.

''(3) SPECIAL RULE.—

''(A) IN GENERAL.—Notwithstanding the provisions of section 9(b)(2)(C)(iii) and (iv) of the Richard B. Russell National School Lunch Act, information obtained from an application for free or reduced price meals under such Act or the Child Nutrition Act of 1964 shall, upon request, be disclosed to an eligible entity receiving a grant under this section and may be used by the eligible entity to determine the eligibility of a child to participate in a demonstration project under this section and, if needed, to rank families by income in accordance with subsection (g)(2)(C)(ii).

''(B) LIMITATIONS.—

''(i) IN GENERAL.—Information provided under this paragraph shall be limited to the information needed to determine eligibility or to rank families in a demonstration project under this section and may be used only by persons who need the information to determine eligibility or rank families in a demonstration project under this section.

''(ii) LIMITATIONS.—A person having access to information provided under this paragraph shall be subject to the limitations and penalties imposed under section 9(b)(2)(C)(v) of the Richard B. Russell National School Lunch Act.

''(4) CONSTRUCTION.—

''(A) SECTARIAN INSTITUTIONS.—Nothing in this section shall be construed to supersede or modify any provision of a State constitution or State law that prohibits the expenditure of public funds in or by sectarian institutions, except that no provision of a State constitution or State law shall be construed to prohibit the expenditure in or by sectarian institutions of any Federal funds provided under this section.

''(B) DESEGREGATION PLANS.—Nothing in this section shall be construed to interfere with any desegregation plans that involve school attendance areas affected by this section.

''(j) PARENTAL NOTIFICATION.—Each eligible entity receiving a grant under this section shall provide timely notice of the demonstration project to parents of eligible children residing in the area to be served by the demonstration project. At a minimum, such notice shall—

''(1) describe the demonstration project;

''(2) describe the eligibility requirements for participation in the demonstration project;

''(3) describe the information needed to make a determination of eligibility for participation in the demonstration project for an eligible child;

''(4) describe the selection procedures to be used if the number of eligible children seeking to participate in the demonstration project exceeds the number that can be accommodated in the demonstration project;

''(5) provide information about each choice school, including information about any admission requirements or criteria for each choice school participating in the demonstration project; and

''(6) include the schedule for parents to apply for their eligible children to participate in the demonstration project.

''(k) EVALUATION.—

''(1) ANNUAL EVALUATION.—

''(A) CONTRACT.—The Secretary shall enter into a contract with an evaluating agency for the conduct of an ongoing rigorous evaluation of the demonstration program under this section.

''(B) ANNUAL EVALUATION REQUIREMENT.—The contract described in subparagraph (A) shall require the evaluating agency to annually evaluate each demonstration project under this section in accordance with the criteria described in paragraph (2).

''(2) EVALUATION CRITERIA.—The Secretary shall establish such criteria for evaluating the demonstration program under this section. Such criteria shall include—

''(A) a description of the implementation of each demonstration project under this section;

''(B) a comparison of the educational achievement between students receiving education certificates under this section and students otherwise eligible for, but not receiving education certificates under this section;

''(C) a comparison of the level of parental satisfaction and involvement between parents whose children receive education certificates and parents from comparable backgrounds whose children did not receive an education certificate; and

''(D) a description of changes in the overall performance and quality of public elementary and secondary schools in the demonstration project area that can be directly or reasonably attributable to the program under this section.

''(3) REPORTS.—

''(A) REPORT BY GRANT RECIPIENT.—Each eligible entity receiving a grant under this section shall submit, to the Secretary and the evaluating agency, an annual report regarding the demonstration project under this section. Each such report shall be submitted at such time, in such manner, and accompanied by such information, as such evaluating agency may require.

''(B) REPORTS BY EVALUATING AGENCY.—

''(i) IN GENERAL.—The evaluating agency shall transmit to the Secretary and the Congress 2 interim reports on the findings of the annual evaluation under this subsection.

''(ii) FIRST INTERIM REPORT.—The first interim report under clause (i) shall be submitted not later than September 20, 2003, and shall, at a minimum, describe the implementation of the demonstration projects under this section and shall include such demographic information as is reasonably available about—

''(I) the participating schools (both the choice schools and the schools that have been identified as failing;

''(II) the participating and requesting students and background of their families; and

''(III) the number of certificates requested versus the number of certificates received.

''(iii) SECOND INTERIM AND FINAL REPORT.—The second interim and final report under this subparagraph shall be submitted to the Secretary and the appropriate committees in Congress not later than September 30, 2006, and June 1, 2008, respectfully, and shall, at a minimum, include the information described in clause (ii), as well as any additional information deemed necessary by the Secretary.

SA 537. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 731, line 5, strike ''(C) and (D)'' and insert ''(C), (D), and (E)''.

On page 738, between lines 8 and 9, insert the following:

''(E) TOTAL STUDENT POPULATION.—In selecting the State educational agencies and local educational agencies described in subparagraph (A) to enter into performance agreements under this part, the Secretary may not select State educational agencies and local educational agencies that serve a combined student population that is greater than 10 percent of the total national student population, based on the most recent appropriate data available.

SA 538. Mr. REED submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 22, lines 22–23, strike ''participation of private school'' and insert ''parents and'' after ''for''.

On page 23, line 3, insert ''this Act, including but not limited to'' after ''of'' and insert a comma '','' after ''6''.

On page 23, line 8, strike ''a reasonable period of time'' and insert ''90 days of receipt of the complaint'' after ''within''.

On page 23, lines 12–13, strike ''fails to resolve the complaint within a reasonable period of time'' and insert '', if there is no resolution, any time after the expiration of the State educational agency's 90-day period for resolving such complaints'' after ''or''.

On page 23, lines 16–17, strike ''resolve'' and insert ''make an initial determination of'' after ''and''.

On page 23, line 19, strike ''by-pass determination'' and insert ''complaint appeals'' before ''process''.

On page 23, line 21, after ''In General.'', insert a new section (A) to read as follows:

''(A) If the Secretary determines that the State educational agency, local educational agency, educational service agency, or consortium of such agencies is not meeting its responsibilities under the Act, the Secretary shall notify the State educational agency of

such determination and the reasons for such determination, offer the State educational agency the opportunity to address the complaint, and provide technical assistance to the State educational agency. If the State educational agency fails to take corrective action within a reasonable time, the Secretary may, after notice and consultation, withhold funds for State administration and activities under section 1117.''.

On page 23, line 21, strike ''(A)'' and renumber the paragraph as ''(B)''.

On page 23, line 22, strike ''7'' and insert ''this'' before ''section''.

On page 24, line 2, strike ''thereof'' and insert ''of the Secretary's initial determination'' after ''notice''.

On page 24, line 4, insert ''In the absence of such objection, the initial determination shall be the final action.'' after the period ''.''.

On page 24, line 5, strike ''(B)'' and renumber the paragraph as ''(C)'', and strike ''resolution of'' and insert ''action on'' before ''any''.

On page 24, lines 10–11, strike ''those services'' and insert ''any services not being provided'' after ''of''.

On page 24, lines 12–13, strike ''such'' and insert ''an'' after ''If''.

On page 25, line 25, strike ''private''.

On page 26, line 4, strike ''section 6 or any other provision of''.

On page 26, line 9, strike ''public and private''.

SA 539. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table, as follows:

On page 684, strike lines 1 through 5, and insert the following:

''(L) programs to provide same gender schools and classrooms, if the local educational agency makes available to students of the same gender schools and classrooms policies and criteria for admission, courses, services, and facilities that are comparable to the policies and criteria, courses, services, and facilities offered in or through the local educational agency's coeducational schools and classrooms;''.

SA 540. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 684, strike lines 1 through 5, and insert the following:

''(L) education reform programs that provide same gender schools and classrooms, if comparable educational opportunities are offered for students of both sexes;''.

SA 541. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 684, line 2, strike ''equal'' and insert ''comparable''.

SA 542. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 684, strike lines 1 through 5.

SA 543. Mr. KYL (for himself and Mr. HUTCHINSON) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. SENSE OF THE SENATE REGARDING TAX CREDITS FOR CONTRIBUTIONS TO TUITION SCHOLARSHIP ORGANIZATIONS.

(a) FINDINGS.—The Senate finds the following:

(1) Over the last decade, many education reform advocates in the private sector have formed organizations that provide partial tuition scholarships to students whose families lack the means to pay full tuition at the school of their choice.

(2) Studies have shown that parents with children receiving such scholarship assistance outperform comparable students not awarded such scholarships on standardized tests and that the parents of such students express high levels of satisfaction with the quality of their children's education.

(3) In 1999, approximately 1,250,000 applications were made for 40,000 partial tuition scholarships being offered to low-income students nationwide; comparable results from other such lotteries demonstrate that demand for such scholarship assistance far outstrips the available supply.

(4) Recognizing the compelling public interest in meeting that demand, Arizona and other States have enacted, or are considering enacting, legislation to provide tax incentives to taxpayers who donate to tuition scholarship organizations.

(5) Since Arizona enacted a tax credit for donations to tuition scholarship organizations, the number of organizations offering scholarships in the State has increased from 2 to 33, and more than 11,000 students have received scholarship assistance that has made it possible for them to enroll in a school of their choice.

(6) State and Federal courts have consistently found tuition scholarship donation tax credits to be constitutional under State constitutions and the Constitution of the United States.

(7) Congress should encourage promising private initiatives to improve education at the elementary and secondary level.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should act expeditiously to pass legislation in the 107th Congress providing a tax credit to partially offset the cost of donations to organizations that provide tuition scholarships to students whose families lack the means to pay full tuition at the school of their choice.

SA 544. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . PILOT TRAINING PROGRAM.

(1) IN GENERAL.—The Secretary of Education is authorized to award grants to land-grant colleges and universities in states with aircraft pilot shortage and to Alaska Native-serving institutions to enable the institutions to educate thousand aircraft pilots and to provide the equipment necessary to train pilots, including air traffic control and pilot training simulators.

(2) DEFINITIONS.—In this subsection:

(A) ALASKA NATIVE-SERVING INSTITUTION.—The term ''Alaska Native-serving institution'' has the meaning given the term in section 317(b) of the Higher Education Act of 1965 (20 U.S.C. 1059d(b)).

(B) LAND-GRANT COLLEGES AND UNIVERSITIES.—The term ''land-grant colleges and universities'' has the meaning given the term in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103).

SA 545. Mr. DASCHLE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 365, strike lines 7 through 11, and insert the following:

''(a) LIMITATION.—

''(1) IN GENERAL.—From funds appropriated under this part, the Secretary shall reserve such sums as may be necessary for grants awarded under section 3136 prior to the date of enactment of the Better Education for Students and Teacher Act.

''(2) BUREAU OF INDIAN AFFAIRS FUNDED SCHOOLS.—From funds appropriated under this part, the Secretary shall reserve 1 percent of such funds for Bureau of Indian Affairs funded schools. Not later than 6 months after the date of enactment of the Better Education for Students and Teacher Act, the Secretary of the Interior shall establish rules for distributing such funds in accordance with a formula developed by the Secretary of the Interior in consultation with school boards of BIA-funded schools, taking into consideration student enrollment, the number of children with special needs, the number of bilingual children, the number of students in residential programs, and the number of students in gifted and talented programs. The Secretary shall also consider whether a minimum amount is needed to ensure small schools can utilize funding effectively. In accordance with such rules, the Secretary of the Interior shall distribute such funds.

SA 546. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE ____—BUILDING AND RENOVATION

SEC. ____01. SHORT TITLE.

This title may be cited as the ''Building, Renovating, Improving, and Constructing Kids' Schools Act''.

SEC. ____02. FINDINGS.

Congress makes the following findings:

(1) According to a 1999 issue brief prepared by the National Center for Education Statistics, the average public school in America is

42 years old, and school buildings begin rapid deterioration after 40 years. In addition, 29 percent of all public schools are in the oldest condition, meaning that the schools were built before 1970 and have either never been renovated or were renovated prior to 1980.

(2) According to reports issued by the General Accounting Office (GAO) in 1995 and 1996, it would cost $112,000,000,000 to bring the Nation's schools into good overall condition, and one-third of all public schools need extensive repair or replacement.

(3) Many schools do not have the appropriate infrastructure to support computers and other technologies that are necessary to prepare students for the jobs of the 21st century.

(4) Without impeding on local control, the Federal Government appropriately can assist State, regional, and local entities in addressing school construction, renovation, and repair needs by providing low-interest loans for purposes of paying interest on related bonds and by supporting other State-administered school construction programs.

SEC. ___03. DEFINITIONS.

In this title:

(1) BOND.—The term ''bond'' includes any obligation.

(2) GOVERNOR.—The term ''Governor'' includes the chief executive officer of a State.

(3) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given to such term by section 3 of the Elementary and Secondary Education Act of 1965.

(4) PUBLIC SCHOOL FACILITY.—The term ''public school facility'' shall not include—

(A) any stadium or other facility primarily used for athletic contests or exhibitions, or other events for which admission is charged to the general public; or

(B) any facility that is not owned by a State or local government or any agency or instrumentality of a State or local government.

(5) QUALIFIED SCHOOL CONSTRUCTION BOND.—The term ''qualified school construction bond'' means any bond (or portion of a bond) issued as part of an issue if—

(A) 95 percent or more of the proceeds attributable to such bond (or portion) are to be used for the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the proceeds;

(B) the bond is issued by a State, regional, or local entity, with bonding authority; and

(C) the issuer designates such bond (or portion) for purposes of this section.

(6) STABILIZATION FUND.—The term ''stabilization fund'' means the stabilization fund established under section 5302 of title 31, United States Code.

(7) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

SEC. ___04. LOANS FOR SCHOOL CONSTRUCTION BOND INTEREST PAYMENTS AND OTHER SUPPORT.

(a) LOAN AUTHORITY AND OTHER SUPPORT.—

(1) LOANS AND STATE-ADMINISTERED PROGRAMS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), from funds made available to a State under section ___05(b) the State, in consultation with the State educational agency—

(i) shall use not less than 50 percent of the funds to make loans to State, regional, or local entities within the State to enable the entities to make annual interest payments on qualified school construction bonds that are issued by the entities not later than December 31, 2004; and

(ii) may use not more than 50 percent of the funds to support State revolving fund programs or other State-administered programs that assist State, regional, and local entities within the State in paying for the cost of construction, rehabilitation, repair, or acquisition described in section ___03(5)(A).

(B) STATES WITH RESTRICTIONS.—If, on the date of enactment of this Act, a State has in effect a law that prohibits the State from making the loans described in subparagraph (A)(i), the State, in consultation with the State educational agency, may use the funds described in subparagraph (A) to support the programs described in subparagraph (A)(ii).

(2) REQUESTS.—The Governor of each State desiring assistance under this title shall submit a request to the Secretary of the Treasury at such time and in such manner as the Secretary of the Treasury may require.

(3) PRIORITY.—In selecting entities to receive funds under paragraph (1) for projects involving construction, rehabilitation, repair, or acquisition of land for schools, the State shall give priority to entities with projects for schools with greatest need, as determined by the State. In determining the schools with greatest need, the State shall take into consideration whether a school—

(A) is among the schools that have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as—

(i) children living in areas with high concentrations of low-income families;

(ii) children from low-income families; and

(iii) children living in sparsely populated areas;

(B) has inadequate school facilities and a low level of resources to meet the need for school facilities; or

(C) meets such criteria as the State may determine to be appropriate.

(b) REPAYMENT.—

(1) IN GENERAL.—Subject to paragraph (2), a State that uses funds made available under section ___05(b) to make a loan or support a State-administered program under subsection (a)(1) shall repay to the stabilization fund the amount of the loan or support, plus interest, at an annual rate of 4.5 percent. A State shall not be required to begin making such repayment until the year immediately following the 15th year for which the State is eligible to receive annual distributions from the fund (which shall be the final year for which the State shall be eligible for such a distribution under this Act). The amount of such loan or support shall be fully repaid during the 10-year period beginning on the expiration of the eligibility of the State under this title.

(2) EXCEPTIONS.—

(A) IN GENERAL.—The interest on the amount made available to a State under section ___05(b) shall not accrue, prior to January 1, 2007, unless the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) for any fiscal year prior to fiscal year 2007 is sufficient to fully fund such part for the fiscal year at the originally promised level, which promised level would provide to each State 40 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State.

(B) APPLICABLE INTEREST RATE.—Effective January 1, 2007, the applicable interest rate that will apply to an amount made available to a State under section ___05(b) shall be—

(i) 0 percent with respect to years in which the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) is not sufficient to provide to each State at least 20 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State;

(ii) 2.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 30 percent of such average per-pupil expenditure;

(iii) 3.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 40 percent of such average per-pupil expenditure; and

(iv) 4.5 percent with respect to years in which the amount described in clause (i) is sufficient to provide to each State at least 40 percent of such average per-pupil expenditure.

(c) FEDERAL RESPONSIBILITIES.—The Secretary of the Treasury and the Secretary of Education—

(1) jointly shall be responsible for ensuring that funds provided under this title are properly distributed;

(2) shall ensure that funds provided under this title are used only to pay for—

(A) the interest on qualified school construction bonds; or

(B) a cost described in subsection (a)(1)(A)(ii); and

(3) shall not have authority to approve or disapprove school construction plans assisted pursuant to this title, except to ensure that funds made available under this title are used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair, and acquisition of land for school facilities, in the State that would have occurred in the absence of such funds.

SEC. ___05. AMOUNTS AVAILABLE TO EACH STATE.

(a) RESERVATION FOR INDIANS.—

(1) IN GENERAL.—From $20,000,000,000 of the funds in the stabilization fund, the Secretary of the Treasury shall make available $400,000,000 to provide assistance to Indian tribes.

(2) USE OF FUNDS.—An Indian tribe that receives assistance under paragraph (1)—

(A) shall use not less than 50 percent of the assistance for a loan to enable the Indian tribe to make annual interest payments on qualified school construction bonds, in accordance with the requirements of this Act that the Secretary of the Treasury determines to be appropriate; and

(B) may use not more than 50 percent of the assistance to support tribal revolving fund programs or other tribal-administered programs that assist tribal governments in paying for the cost of construction, rehabilitation, repair, or acquisition described in section ___03(5)(A), in accordance with the requirements of this Act that the Secretary of the Treasury determines to be appropriate.

(b) AMOUNTS AVAILABLE.—

(1) IN GENERAL.—Subject to paragraph (3) and from $20,000,000,000 of the funds in the stabilization fund that are not reserved under subsection (a), the Secretary of the Treasury shall make available to each State submitting a request under section

___04(a)(2) an amount that bears the same relation to such remainder as the amount the State received under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for fiscal year 2001 bears to the amount received by all States under such part for such year.

(2) DISBURSAL.—The Secretary of the Treasury shall disburse the amount made available to a State under paragraph (1) or (3), on an annual basis, during the period beginning on October 1, 2001, and ending September 30, 2018.

(3) SMALL STATE MINIMUM.—

(A) MINIMUM.—No State shall receive an amount under paragraph (1) that is less than $100,000,000.

(B) STATES.—In this paragraph, the term ''State'' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(c) NOTIFICATION.—The Secretary of the Treasury and the Secretary of Education jointly shall notify each State of the amount of funds the State may receive for loans and other support under this Act.

SA 547. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

''SEC. . Nothing in this Act shall prohibit school administrator, or faculty or staff member, from using a firearm to prevent a school massacre.''.

___

SA 548. Mr. SMITH of New Hampshire submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

''SEC. . (a) Whereas the Bible is the best selling, most widely read, and most influential book in history;

(b) Whereas familiarity with the nature of religious beliefs is necessary to understanding history and contemporary events;

(c) Whereas the Bible is worthy of study for its literary and historic qualities;

(d) Whereas many public schools throughout America are currently teaching the Bible as literature and/or history;

SEC. . It is the sense of the Senate that nothing in this Act or any provision of law shall discourage the teaching of the Bible in any public school.''.

___

SA 549. Mr. HAGEL (for himself, Mr. BAUCUS, and Mrs. HUTCHISON) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SCHOOL FACILITY MODERNIZATION GRANTS.

Subsection (b) of section 8007 (20 U.S.C. 7707(b)) (as amended by section 1811 of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended to read as follows:

''(b) SCHOOL FACILITY MODERNIZATION GRANTS AUTHORIZED.—

''(1) FUNDING AND ALLOCATION.—

''(A) FUNDING.—From 60 percent of the amount appropriated for each fiscal year under section 8014(e), the Secretary shall award grants in accordance with this subsection to eligible local educational agencies to enable the local educational agencies to carry out modernization of school facilities.

''(B) ALLOCATION.—From amounts made available for a fiscal year under subparagraph (A), the Secretary shall allocate—

''(i) 6 percent of such amount for grants to local educational agencies described in paragraph (2)(A);

''(ii) 47 percent of such amount for grants to local educational agencies described in paragraph (2)(B), of which, 10 percent shall be available for emergency grants that shall not be subject to the requirements of subparagraphs (A) and (B) of paragraph (4); and

''(iii) 47 percent of such amount for grants to local educational agencies described in paragraph (2)(C), of which, 10 percent shall be available for emergency grants that shall not be subject to the requirements of subparagraphs (A) and (B) of paragraph (4).

''(C) SPECIAL RULE.—A local educational agency described in clauses (ii) and (iii) of subparagraph (B) may use grant funds made available under this subsection for a school facility located on or near Federal property only if the school facility is located at a school where not less than 25 percent of the children in average daily attendance in the school for the preceding school year are children for which a determination is made under section 8003(a)(1).

''(2) ELIGIBILITY REQUIREMENTS.—A local educational agency is eligible to receive funds under this subsection only if—

''(A) such agency received assistance under section 8002(a) for the fiscal year and has an assessed value of taxable property per student in the school district that is less than the average of the assessed value of taxable property per student in the State in which the local educational agency is located;

''(B) such agency had an enrollment of children determined under section 8003(a)(1)(C) which constituted at least 25 percent of the number of children who were in average daily attendance in the schools of such agency during the school year preceding the school year for which the determination is made; or

''(C) such agency had an enrollment of children determined under subparagraphs (A), (B), and (D) of section 8003(a)(1) which constituted at least 25 percent of the number of children who were in average daily attendance in the schools of such agency during the school year preceding the school year for which the determination is made.

''(3) AWARD CRITERIA.—In awarding grants under this subsection, the Secretary shall review applications submitted with respect to each type of agency represented by local educational agencies that qualify under each of subparagraphs (A), (B), and (C) of paragraph (2). In evaluating an application, the Secretary shall consider the following criteria:

''(A) The extent to which the local educational agency lacks the fiscal capacity to undertake the modernization project without Federal assistance.

''(B) The extent to which property in the local educational agency is nontaxable due to the presence of the Federal Government.

''(C) The extent to which the local educational agency serves high numbers or percentages of children described in subparagraphs (A), (B), (C), and (D) of section 8003(a)(1).

''(D) The need for modernization to meet—

''(i) the threat that the condition of the school facility poses to the health, safety, and well-being of students;

''(ii) overcrowding conditions as evidenced by the use of trailers and portable buildings and the potential for future overcrowding because of increased enrollment; and

''(iii) facility needs resulting from actions of the Federal Government.

''(E) The age of the school facility to be modernized.

''(4) OTHER AWARD PROVISIONS.—

''(A) AMOUNT.—In determining the amount of a grant awarded under this subsection, the peer group and Secretary shall consider the cost of the modernization and the ability of the local educational agency to produce sufficient funds to carry out the activities for which assistance is sought.

''(B) FEDERAL SHARE.—The Federal funds provided under this subsection to a local educational agency shall not exceed 50 percent of the total cost of the project to be assisted under this subsection. A local educational agency may use in-kind contributions, excluding land contributions, to meet the matching requirement of the preceding sentence.

''(C) MAXIMUM GRANT.—A local educational agency described in this subsection may not receive a grant under this subsection in an amount that exceeds $5,000,000 during any 2-year period.

''(5) APPLICATIONS.—A local educational agency that desires to receive a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall contain—

''(A) a listing of the school facilities to be modernized, including the number and percentage of children determined under section 8003(a)(1) in average daily attendance in each school facility;

''(B) a description of the ownership of the property on which the current school facility is located or on which the planned school facility will be located;

''(C) a description of how the local educational agency meets the award criteria under paragraph (3);

''(D) a description of the modernization to be supported with funds provided under this subsection;

''(E) a cost estimate of the proposed modernization; and

''(F) such other information and assurances as the Secretary may reasonably require.

''(6) EMERGENCY GRANTS.—

''(A) APPLICATIONS.—Each local educational agency applying for a grant under paragraph (1)(B)(ii) or (1)(B)(iii) that desires a grant under this paragraph shall include in the application submitted under paragraph (5) a signed statement from an appropriate local official certifying that a health or safety emergency exists.

''(B) SPECIAL RULES.—The Secretary shall make every effort to meet fully the school facility needs of local educational agencies applying for a grant under this paragraph.

''(C) PRIORITY.—If the Secretary receives more than one application from local educational agencies described in paragraph (1)(B)(ii) or (1)(B)(iii) for grants under this paragraph for any fiscal year, the peer review group and the Secretary shall give priority to local educational agencies based on the severity of the emergency, as determined by the Secretary, and when the application was received.

''(D) CONSIDERATION FOR FOLLOWING YEAR.—A local educational agency described in paragraph (2) that applies for a grant under this paragraph for any fiscal year and does not receive the grant shall have the application for the grant considered for the following fiscal year, subject to the priority described in subparagraph (C).

''(7) GENERAL LIMITATIONS.—

''(A) REAL PROPERTY.—No grant funds awarded under this subsection shall be used for the acquisition of any interest in real property.

''(B) MAINTENANCE.—Nothing in this subsection shall be construed to authorize the payment of maintenance costs in connection with any school facility modernized in whole or in part with Federal funds provided under this subsection.

''(C) ENVIRONMENTAL SAFEGUARDS.—All projects carried out with Federal funds provided under this subsection shall comply with all relevant Federal, State, and local environmental laws and regulations.

''(D) ATHLETIC AND SIMILAR SCHOOL FACILITIES.—No Federal funds received under this subsection shall be used for outdoor stadiums or other school facilities that are primarily used for athletic contests or exhibitions, or other events, for which admission is charged to the general public.

''(8) SUPPLEMENT NOT SUPPLANT.—An eligible local educational agency shall use funds received under this subsection only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the modernization of school facilities used for educational purposes, and not to supplant such funds.''.

SA 550. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 794, after line 7, add the following:

TITLE X—LIBERALIZATION OF TAX-EXEMPT FINANCING RULES FOR PUBLIC SCHOOL CONSTRUCTION

SEC. 1001. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.

(a) IN GENERAL.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking ''$5,000,000'' the second place it appears and inserting ''$10,000,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2001.

SEC. 1002. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking ''or'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', or'', and by adding at the end the following new paragraph:

''(13) qualified public educational facilities.''.

(b) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following new subsection:

''(k) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—

''(1) IN GENERAL.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any school facility which is—

''(A) part of a public elementary school or a public secondary school, and

''(B) owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

''(2) PUBLIC-PRIVATE PARTNERSHIP AGREEMENT DESCRIBED.—A public-private partnership agreement is described in this paragraph if it is an agreement—

''(A) under which the corporation agrees—

''(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

''(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

''(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

''(3) SCHOOL FACILITY.—For purposes of this subsection, the term 'school facility' means—

''(A) any school building,

''(B) any functionally related and subordinate facility and land with respect to such building, including any stadium or other facility primarily used for school events, and

''(C) any property, to which section 168 applies (or would apply but for section 179), for use in a facility described in subparagraph (A) or (B).

''(4) PUBLIC SCHOOLS.—For purposes of this subsection, the terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of the enactment of this subsection.

''(5) ANNUAL AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

''(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

''(i) $10 multiplied by the State population, or

''(ii) $5,000,000.

''(B) ALLOCATION RULES.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

''(ii) RULES FOR CARRYFORWARD OF UNUSED LIMITATION.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).''.

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking ''or (12)'' and inserting ''(12), or (13)'', and

(2) by striking ''and environmental enhancements of hydroelectric generating facilities'' and inserting ''environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities''.

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(h) (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

''(3) EXEMPT FACILITY BONDS FOR QUALIFIED PUBLIC-PRIVATE SCHOOLS.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).''.

(e) CONFORMING AMENDMENT.—The heading for section 147(h) is amended by striking ''MORTGAGE REVENUE BONDS, QUALIFIED STUDENT LOAN BONDS, AND QUALIFIED 501(c)(3) BONDS'' and inserting ''CERTAIN BONDS''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

SA 551. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

TITLE X—LIBERALIZATION OF TAX-EXEMPT FINANCING RULES FOR PUBLIC SCHOOL CONSTRUCTION

SEC. 1001. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE EDUCATIONAL FACILITIES.

(a) IN GENERAL.—Section 148(f)(4)(D)(vii) (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking ''$5,000,000'' the second place it appears and inserting ''$10,000,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2001.

SEC. 1002. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking ''or'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', or'', and by adding at the end the following new paragraph:

''(13) qualified public educational facilities.''.

(b) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—Section 142 (relating to exempt facility bond) is amended by adding at the end the following new subsection:

''(k) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—

''(1) IN GENERAL.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any school facility which is—

''(A) part of a public elementary school or a public secondary school, and

''(B) owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

''(2) PUBLIC-PRIVATE PARTNERSHIP AGREEMENT DESCRIBED.—A public-private partnership agreement is described in this paragraph if it is an agreement—

''(A) under which the corporation agrees—

''(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

''(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

''(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

''(3) SCHOOL FACILITY.—For purposes of this subsection, the term 'school facility' means—

''(A) any school building,

''(B) any functionally related and subordinate facility and land with respect to such building, including any stadium or other facility primarily used for school events, and

''(C) any property, to which section 168 applies (or would apply but for section 179), for use in a facility described in subparagraph (A) or (B).

''(4) PUBLIC SCHOOLS.—For purposes of this subsection, the terms 'elementary school' and 'secondary school' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801), as in effect on the date of the enactment of this subsection.

''(5) ANNUAL AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

''(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

''(i) $10 multiplied by the State population, or

''(ii) $5,000,000.

''(B) ALLOCATION RULES.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

''(ii) RULES FOR CARRYFORWARD OF UNUSED LIMITATION.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).''.

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) (relating to exception for certain bonds) is amended—

(1) by striking ''or (12)'' and inserting ''(12), or (13)'', and

(2) by striking ''and environmental enhancements of hydroelectric generating facilities'' and inserting ''environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities''.

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(h) (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

''(3) EXEMPT FACILITY BONDS FOR QUALIFIED PUBLIC-PRIVATE SCHOOLS.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).''.

(e) CONFORMING AMENDMENT.—The heading for section 147(h) is amended by striking ''MORTGAGE REVENUE BONDS, QUALIFIED STUDENT LOAN BONDS, AND QUALIFIED 501(c)(3) BONDS'' and inserting ''CERTAIN BONDS''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

SA 552. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 902. EDUCATIONAL USE COPYRIGHT EXEMPTION.

(a) SHORT TITLE.—This section may be cited as the ''Technology, Education and Copyright Harmonization Act of 2001''.

(b) EXEMPTION OF CERTAIN PERFORMANCES AND DISPLAYS FOR EDUCATIONAL USES.—Section 110 of title 17, United States Code, is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) except with respect to a work produced or marketed primarily for performance or display as part of mediated instructional activities transmitted via digital networks, or a performance or display that is given by means of a copy or phonorecord that is not lawfully made and acquired under this title, and the transmitting government body or accredited nonprofit educational institution knew or had reason to believe was not lawfully made and acquired, the performance of a nondramatic literary or musical work or reasonable and limited portions of any other work, or display of a work in an amount comparable to that which is typically displayed in the course of a live classroom session, by or in the course of a transmission, if—

''(A) the performance or display is made by, at the direction of, or under the actual supervision of an instructor as an integral part of a class session offered as a regular part of the systematic mediated instructional activities of a governmental body or an accredited nonprofit educational institution; and

''(B) the performance or display is directly related and of material assistance to the teaching content of the transmission; and

''(C) the transmission is made solely for, and, to the extent technologically feasible, the reception of such transmission is limited to—

''(i) students officially enrolled in the course for which the transmission is made; or

''(ii) officers or employees of governmental bodies as a part of their official duties or employment; and

''(D) the transmitting body or institution—

''(i) institutes policies regarding copyright, provides informational materials to faculty, students, and relevant staff members that accurately describe, and promote compliance with, the laws of the United States relating to copyright, and provides notice to students that materials used in connection with the course may be subject to copyright protection; and

''(ii) in the case of digital transmissions—

''(I) applies technological measures that, in the ordinary course of their operations, prevent—

''(aa) retention of the work in accessible form by recipients of the transmission from the transmitting body or institution for longer than the class session; and

''(bb) unauthorized further dissemination of the work in accessible form by such recipients to others; and

''(II) does not engage in conduct that could reasonably be expected to interfere with technological measures used by copyright owners to prevent such retention or unauthorized further dissemination;''; and

(2) by adding at the end the following:

''In paragraph (2), the term 'mediated instructional activities' with respect to the performance or display of a work by digital transmission under this section refers to activities that use such work as an integral part of the class experience, controlled by or under the actual supervision of the instructor and analogous to the type of performance or display that would take place in a live classroom setting. The term does not refer to activities that use, in 1 or more class sessions of a single course, such works as textbooks, course packs, or other material in any media, copies or phonorecords of which are typically purchased or acquired by the students in higher education for their independent use and retention or are typically purchased or acquired for elementary and secondary students for their possession and independent use.

''For purposes of paragraph (2), accreditation—

''(A) with respect to an institution providing post-secondary education, shall be as determined by a regional or national accrediting agency recognized by the Council on Higher Education Accreditation or the United States Department of Education; and

''(B) with respect to an institution providing elementary or secondary education, shall be as recognized by the applicable state certification or licensing procedures.

''For purposes of paragraph (2), no governmental body or accredited nonprofit educational institution and no recipient identified under paragraph (2)(C) shall be liable for infringement by reason of the transient or temporary storage of material carried out through the automatic technical process of a digital transmission of the performance or display of that material as authorized under paragraph (2). No such material stored on the system or network controlled or operated by the transmitting body or institution under this paragraph shall be maintained on such system or network in a manner ordinarily accessible to anyone other than anticipated recipients. No such copy shall be maintained on the system or network in a manner ordinarily accessible to such anticipated recipients for a longer period than is reasonably necessary to facilitate the transmissions for which it was made.''.

(c) EPHEMERAL RECORDINGS.—

(1) IN GENERAL.—Section 112 of title 17, United States Code, is amended—

(A) by redesignating subsection (f) as subsection (g); and

(B) by inserting after subsection (e) the following:

''(f)(1) Notwithstanding the provisions of section 106, and without limiting the application of subsection (b), it is not an infringement of copyright for a governmental body or other nonprofit educational institution entitled under section 110(2) to transmit a performance or display to make copies or phonorecords of a work that is in digital form and, solely to the extent permitted in paragraph (2), of a work that is in analog form, embodying the performance or display to be used for making transmissions authorized under section 110(2), if—

''(A) such copies or phonorecords are retained and used solely by the body or institution that made them, and no further copies or phonorecords are reproduced from them, except as authorized under section 110(2); and

''(B) such copies or phonorecords are used solely for transmissions authorized under section 110(2).

''(2) This subsection does not authorize the conversion of print or other analog versions of works into digital formats, except that such conversion is permitted hereunder, only with respect to the amount of such works authorized to be performed or displayed under section 110(2), if—

''(A) no digital version of the work is available to the institution; or

''(B) the digital version of the work that is available to the institution is subject to technological protection measures that prevent its use for section 110(2).''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—Section 802(c) of title 17, United States Code, is amended in the third sentence by striking ''section 112(f)'' and inserting ''section 112(g)''.

SEC. 4. REPORT.

(A) COPYRIGHT OFFICE REPORT.—Not later than 3 years after the date of enactment of this Act, the Register of Copyrights shall conduct a study and, after consultation with representatives of accredited for-profit educational institutions, accredited non-profit educational institutions, and copyright owners, submit a report to Congress on the status of distance education programs run by accredited for-profit educational institutions, including—

(1) the extent to which accredited for-profit educational institutions are engaging in such programs;

(2) the extent to which an extension of the provisions of this Act to accredited for-profit educational institutions would enhance the number, scope, and quality of such programs;

(3) the policy considerations involved in extending the provisions of this Act to accredited for-profit educational institutions;

(4) the effect such an extension would be likely to have on the market for copyrighted works and the incentive to create such works;

(5) whether such an extension would be consistent with United States treaty obligations; and

(6) such other issues relating to relating to distance education through interactive digital networks by accredited for-profit educational institutions that the Register of Copyrights considers appropriate.

''(b) PTO REPORT.—Not later than 180 days after the date of enactment of this Act and after a period for public comment, the Undersecretary of Commerce for Intellectual Property, after consultations and in conjunction with the Director of National Institute of Standards and Technology and the Register of Copyrights, shall identify and submit to the Committees on the Judiciary of the Senate and the House of Representatives a list of identified technological protection systems or standards that would be the most effective in protecting digitized copyrighted works and preventing infringement of copyright for use by educational institutions.

SA 553. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 696, between lines 18 and 19, insert the following:

''SEC. 5351. SHORT TITLE.

''This subpart may be cited as the 'State and Local Transferability Act'.

''SEC. 5352. PURPOSE.

''The purpose of this subpart is to allow States and local educational agencies the flexibility—

''(1) to target Federal funds to Federal programs that most effectively address the unique needs of States and localities; and

''(2) to transfer Federal funds allocated to other activities to allocations for activities authorized under title I programs.

''SEC. 5353. TRANSFERABILITY OF FUNDS.

''(a) TRANSFERS BY STATES.—

''(1) IN GENERAL.—In accordance with this subpart, a State may transfer up 75 percent of the nonadministrative State funds allocated to the State for use for State-level activities under each of the following provisions to 1 or more of the State's allocations under any other of such provisions:

''(A) Part A of title II, relating to teachers.

''(B) Supart 4 of part B of this title, relating to innovative education.

''(C) Part C of title II, relating to technology.

''(D) Part A of title IV, relating to safe and drug-free schools and communities.

''(E) Part F of title I, relating to 21st Century Community Learning Centers.

''(F) Part A of title III, relating to bilingual education.

''(2) SUPPLEMENTAL FUNDS FOR TITLE I.—In accordance with this subpart, a State may transfer any funds allocated to the State under a provision listed in paragraph (1) to its allocation under title I.

''(b) TRANSFERS BY LOCAL EDUCATIONAL AGENCIES.—

''(1) AUTHORITY TO TRANSFER FUNDS.—

''(A) IN GENERAL.—In accordance with this subpart, a local educational agency (except a local educational agency identified for improvement under section 1116(d)(3) or subject to corrective action under section 1116(d)(6)) may transfer not more than 50 percent of the funds allocated to it under each of the provisions listed in paragraph (2) for a fiscal year to 1 or more of its allocations for such fiscal year under any other provision listed in paragraph (2).

''(B) AGENCIES IDENTIFIED FOR IMPROVEMENT.—A local educational agency identified for improvement under section 1116(d)(3) may transfer in accordance with this subpart not more than 30 percent of the funds allocated to it under each of the provisions listed in paragraph (2)—

''(i) to its allocation for school improvement under section 1003;

''(ii) to any other allocation if such transferred funds are used only for local educational agency improvement activities consistent with section 1116(d).

''(C) SUPPLEMENTAL FUNDS FOR TITLE I.—In accordance with this subpart, a local educational agency may transfer funds allocated to such agency under a provision listed in paragraph (2) to its allocation under title I.

''(2) APPLICABLE PROVISIONS.—A local educational agency may transfer funds under subparagraph (A) or (B) from allocations made under each of the following provisions:

''(A) Part A of title II.

''(B) Subpart 4 of part B of title V, relating to innovative education.

''(C) Part A of title IV, relating to safe and drug-free schools and communities.

''(D) Part A of title III, relating to bilingual education.

''(c) NO TRANSFER OF TITLE I FUNDS.—A State or a local educational agency may not transfer under this subpart to any other program any funds allocated to it under title I.

''(d) MODIFICATION OF PLANS AND APPLICATIONS; NOTIFICATION.—

''(1) STATE TRANSFERS.—Each State that makes a transfer of funds under this section shall—

''(A) modify to account for such transfer each State plan, or application submitted by the State, to which such funds relate;

''(B) not later than 30 days after the date of such transfer, submit a copy of such modified plan or application to the Secretary; and

''(C) not later than 30 days before the effective date of such transfer, notify the Secretary of such transfer.

''(2) LOCAL TRANSFERS.—Each local educational agency that makes a transfer under this section shall—

''(A) modify to account for such transfer each local plan, or application submitted by the agency, to which such funds relate;

''(B) not later than 30 days after the date of such transfer, submit a copy of such modified plan or application to the State; and

''(C) not later than 30 days before the effective date of such transfer, notify the State of such transfer.

''(f) APPLICABLE RULES.—

''(1) IN GENERAL.—Except as otherwise provided in this subpart, funds transferred under this section are subject to each of the rules and requirements applicable to the funds allocated by the Secretary under the provision to which the transferred funds are transferred.

''(2) CONSULTATION.—Each State educational agency or local educational agency that transfers funds under this section shall conduct consultations in accordance with section 6(c), if such transfer transfers funds from a program that provides for the participation of students, teachers, or other educational personnel, from private schools.

SA 554. Mr. HUTCHINSON (for himself and Mr. TORRICELLI) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. . SENSE OF THE SENATE REGARDING EDUCATIONAL TAX RELIEF FOR FAMILIES.

(A) FINDINGS.—The Senate finds the following:

(1) Education Savings Accounts (ESAs) are one of the first serious federal efforts to encourage parents to save for their children's education.

(2) ESAs would benefit all students directly, whether they attend public or private schools.

(3) The new opportunities offered by ESAs will help children excel in school and encourage parents, other interested adults as well as third party contributors to participate directly in each child's education.

(4) ESAs will help families pay for essential educational expenses, such as home computers, tutoring, transportation, after-school programs and tuition.

(5) According to the U.S. Bureau of Labor Statistics' 1997 Consumer Expenditure Survey (CES), over 11 million families with children could benefit from these accounts.

(6) In addition, according to the CES, the 11 million families who stand to benefit from ESAs live in every region of the country, with over 87% of those families living in urban and suburban areas.

(7) President George W. Bush has made the expansion of ESAs a top priority of his Administration.

(8) ESAs have passed the United States Congress in both the 105th and 106th Congress under the leadership of the late Senator Paul Coverdell of Georgia.

(9) The Senate Finance Committee reported favorably the Affordable Education Act of 2001, S. 763, on April 24, 2001, which included the Coverdell Education Savings Accounts.

(B) SENSE OF THE SENATE.—It is the sense of the Senate that the Congress should—

(1) expeditiously pass the Coverdell Education Savings Accounts, as contained in S. 763.

SA 555. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

"SEC. 902. SENSE OF THE SENATE REGARDING DEPARTMENT OF EDUCATION PROGRAM TO PROMOTE ACCESS OF ARMED FORCES RECRUITERS TO STUDENT DIRECTORY INFORMATION.

''(a) FINDINGS.—The Senate makes the following findings:

''(1) Service in the Armed Forces of the United States is voluntary.

''(2) Recruiting quality persons in the numbers necessary to maintain the strengths of the Armed Forces authorized by Congress is vital to the United States national defense.

''(3) Recruiting quality servicemembers is very challenging, and as a result, Armed Forces recruiters must devote extraordinary time and effort to their work in order to fill monthly requirements for immediate accessions.

''(4) In meeting goals for recruiting high quality men and women, each of the Armed Forces faces intense competition from the other Armed Forces, from the private sector, and from institutions offering postsecondary education.

''(5) Despite a variety of innovative approaches taken by recruiters, and the extensive benefits that are available to those who join the Armed Forces, it is becoming increasingly difficult for the Armed Forces to meet recruiting goals.

''(6) A number of high schools have denied recruiters access to students or to student directory information.

''(7) In 1999, the Army was denied access on 4,515 occasions, the Navy was denied access on 4,364 occasions, the Marine Corps was denied access on 4,884 occasions, and the Air Force was denied access on 5,465 occasions.

''(8) As of the beginning of 2000, nearly 25 percent of all high schools in the United States did not release student directory information requested by Armed Forces recruiters.

''(9) In testimony presented to the Committee on Armed Services of the Senate, recruiters stated that the single biggest obstacle to carrying out the recruiting mission was denial of access to student directory information, as the student directory is the basic tool of the recruiter.

''(10) Denying recruiters direct access to students and to student directory information unfairly hurts the youth of the United States, as it prevents students from receiving important information on the education and training benefits offered by the Armed Forces and impairs students' decisionmaking on careers by limiting the information on the options available to them.

''(11) Denying recruiters direct access to students and to student directory information undermines United States national defense by making it more difficult to recruit high quality young Americans in numbers sufficient to maintain the readiness of the Armed Forces and to provide for the national defense.

''(12) Section 503 of title 10, United States Code, requires local educational agencies, as of July 1, 2002, to provide recruiters access to secondary schools on the same basis that those agencies provide access to representatives of colleges, universities, and private sector employers.

''(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Education, in consultation with the Secretary of Defense, should, not later than July 2, 2001, establish a year-long campaign to educate principals, school administrators, and other educators regarding career opportunities in the Armed Forces, and the access standard required under section 503 of title 10, United States Code.

SA 556. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 29, between lines 14 and 15, insert the following:

"SEC. 16. ADDITIONAL LIMITATIONS AND PROTECTIONS REGARDING PRIVATE, RELIGIOUS, AND HOME SCHOOLS.

''(a) APPLICABILITY OF ACT TO PRIVATE AND HOME SCHOOLS.—

''(1) IN GENERAL.—Except as otherwise provided in this section, nothing in this Act shall be construed to effect a private school or home school, whether or not a home school is treated as a home school under State law.

''(2) CONSTRUCTION OF SUPERSEDED PROVISION.—Section 11 shall have no force or effect.

''(b) PARTICIPATION OF PRIVATE AND HOME SCHOOL STUDENTS IN STUDENT ASSESSMENTS.—No student of a private school or home school shall be required to participate in any State assessment if the State or local educational agency concerned receives funds under this Act.

''(c) APPLICABILITY TO PRIVATE, RELIGIONS, AND HOME SCHOOLS OF GENERAL PROVISION REGARDING RECIPIENT NONPUBLIC SCHOOLS.—

''(1) IN GENERAL.—Nothing in this Act or any other Act administered by the Secretary shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. Private, religious, and home schools may not be barred from participation in programs and services under this Act or any other Act administered by the Secretary.

''(2) CONSTRUCTION OF SUPERSEDED PROVISION.—Section 12 shall have no force or effect.

''(d) APPLICABILITY OF GUN-FREE SCHOOL PROVISIONS TO HOME SCHOOLS.—Notwithstanding any provision of part B of title IV, for purposes of that part, the term 'school' shall not include a home school, regardless of whether or not a home school is treated as a private school or home school under State law.

''(e) STATE AND LEA MANDATES REGARDING PRIVATE AND HOME SCHOOL CURRICULA.—No State or local educational agency that receives funds under this Act may mandate, direct, or control the curriculum of a private or home school, regardless of whether or not a home school is treated as a private school or home school under State law.''.

SA 557. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 29, between lines 14 and 15, insert the following:

"SEC. 16. ADDITIONAL LIMITATIONS.

''(a) NATIONAL TESTING.—Notwithstanding any other provision of this Act or any other provision of law, no funds available to the Department or otherwise available under this Act may be used for any purpose relating to a nationwide test in reading, mathematics, or any other subject, including test development, pilot testing, field testing, test implementation, test administration, test distribution, or any other purpose.

''(b) MANDATORY NATIONAL TESTING OR CERTIFICATION OF TEACHERS.—Notwithstanding any other provision of this Act or any other provision of law, no funds available to the Department or otherwise available under this Act may be used for any purpose relating to a mandatory nationwide test or certification of teachers or education paraprofessionals, including any planning, development, implementation, or administration of such test or certification.

''(c) DEVELOPMENT OF DATABASE OF PERSONALLY IDENTIFIABLE INFORMATION.—Nothing in this Act shall be construed to authorize the development of a nationwide database of personally identifiable information on individuals involved in studies or other collections of data under this Act.''.

SA 558. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—EDUCATION SAVINGS INCENTIVES

SEC. ____00. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. ____01. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.

(a) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking ''$500'' and inserting ''$2,000''.

(2) CONFORMING AMENDMENT.—Section 4973(e)(1)(A) is amended by striking ''$500'' and inserting ''$2,000''.

(b) MODIFICATION OF AGI LIMITS TO REMOVE MARRIAGE PENALTY.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended—

(1) by striking ''$150,000'' in subparagraph (A)(ii) and inserting ''$190,000'', and

(2) by striking ''$10,000'' in subparagraph (B) and inserting ''$30,000''.

(c) TAX-FREE EXPENDITURES FOR ELEMENTARY AND SECONDARY SCHOOL EXPENSES.—

(1) IN GENERAL.—Section 530(b)(2) (defining qualified higher education expenses) is amended to read as follows:

''(2) QUALIFIED EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified education expenses' means—

''(i) qualified higher education expenses (as defined in section 529(e)(3)), and

''(ii) qualified elementary and secondary education expenses (as defined in paragraph (4)).

''(B) QUALIFIED STATE TUITION PROGRAMS.—Such term shall include any contribution to a qualified State tuition program (as defined in section 529(b)) on behalf of the designated beneficiary (as defined in section 529(e)(1)); but there shall be no increase in the investment in the contract for purposes of applying section 72 by reason of any portion of such contribution which is not includible in gross income by reason of subsection (d)(2).''.

(2) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(4) QUALIFIED ELEMENTARY AND SECONDARY EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified elementary and secondary education expenses' means—

''(i) expenses for tuition, fees, academic tutoring, special needs services, books, supplies, computer equipment (including related software and services), and other equipment which are incurred in connection with the enrollment or attendance of the designated beneficiary of the trust as an elementary or secondary school student at a public, private, or religious school, and

''(ii) expenses for room and board, uniforms, transportation, and supplementary items and services (including extended day programs) which are required or provided by a public, private, or religious school in connection with such enrollment or attendance.

''(B) SCHOOL.—The term 'school' means any school which provides elementary education or secondary education (kindergarten through grade 12), as determined under State law.''.

(3) CONFORMING AMENDMENTS.—Section 530 is amended—

(A) by striking ''higher'' each place it appears in subsections (b)(1) and (d)(2), and

(B) by striking ''HIGHER'' in the heading for subsection (d)(2).

(d) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

''The age limitations in subparagraphs (A)(ii) and (E), and paragraphs (5) and (6) of subsection (d), shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary).''.

(e) ENTITIES PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking ''The maximum amount which a contributor'' and inserting ''In the case of a contributor who is an individual, the maximum amount the contributor''.

(f) TIME WHEN CONTRIBUTIONS DEEMED MADE.—

(1) IN GENERAL.—Section 530(b) (relating to definitions and special rules), as amended by subsection (c)(2), is amended by adding at the end the following new paragraph:

''(5) TIME WHEN CONTRIBUTIONS DEEMED MADE.—An individual shall be deemed to have made a contribution to an education individual retirement account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the return for such taxable year (not including extensions thereof).''.

(2) EXTENSION OF TIME TO RETURN EXCESS CONTRIBUTIONS.—Subparagraph (C) of section 530(d)(4) (relating to additional tax for distributions not used for educational expenses) is amended—

(A) by striking clause (i) and inserting the following new clause:

''(i) such distribution is made before the first day of the sixth month of the taxable year following the taxable year, and'', and

(B) by striking ''DUE DATE OF RETURN'' in the heading and inserting ''CERTAIN DATE''.

(g) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—

(1) IN GENERAL.—Section 530(d)(2)(C) is amended to read as follows:

''(C) COORDINATION WITH HOPE AND LIFETIME LEARNING CREDITS AND QUALIFIED TUITION PROGRAMS.—For purposes of subparagraph (A)—

''(i) CREDIT COORDINATION.—The total amount of qualified higher education expenses with respect to an individual for the taxable year shall be reduced—

''(I) as provided in section 25A(g)(2), and

''(II) by the amount of such expenses which were taken into account in determining the credit allowed to the taxpayer or any other person under section 25A.

''(ii) COORDINATION WITH QUALIFIED TUITION PROGRAMS.—If, with respect to an individual for any taxable year—

''(I) the aggregate distributions during such year to which subparagraph (A) and section 529(c)(3)(B) apply, exceed

''(II) the total amount of qualified education expenses (after the application of clause (i)) for such year,

the taxpayer shall allocate such expenses among such distributions for purposes of determining the amount of the exclusion under subparagraph (A) and section 529(c)(3)(B).''.

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 25A is amended to read as follows:

''(e) ELECTION NOT TO HAVE SECTION APPLY.—A taxpayer may elect not to have this section apply with respect to the qualified tuition and related expenses of an individual for any taxable year.''.

(B) Section 135(d)(2)(A) is amended by striking ''allowable'' and inserting ''allowed''.

(C) Section 530(d)(2)(D) is amended—

(i) by striking ''or credit'', and

(ii) by striking ''CREDIT OR'' in the heading.

(D) Section 4973(e)(1) is amended by adding ''and'' at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(h) RENAMING EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS AS COVERDELL EDUCATION SAVINGS ACCOUNTS.—

(1) IN GENERAL.—

(A) Section 530 (as amended by the preceding provisions of this section) is amended by striking ''an education individual retirement account'' each place it appears and inserting ''a Coverdell education savings account''.

(B) Section 530(a) is amended—

(i) by striking ''An education individual retirement account'' and inserting ''A Coverdell education savings account'', and

(ii) by striking ''the education individual retirement account'' and inserting ''the Coverdell education savings account''.

(C) Section 530(b)(1) is amended—

(i) by striking ''education individual retirement account'' in the text and inserting ''Coverdell education savings account'', and

(ii) by striking ''EDUCATION INDIVIDUAL RETIREMENT ACCOUNT'' in the heading and inserting ''COVERDELL EDUCATION SAVINGS ACCOUNT''.

(D) Sections 530(d)(5) and 530(e) are amended by striking ''any education individual retirement account'' each place it appears and inserting ''any Coverdell education savings account''.

(E) The heading for section 530 is amended to read as follows:

''SEC. 530. COVERDELL EDUCATION SAVINGS ACCOUNTS.''.

(F) The item in the table of contents for part VII of subchapter F of chapter 1 relating to section 530 is amended to read as follows:

''Sec. 530. Coverdell education savings accounts.''.

(2) CONFORMING AMENDMENTS.—

(A) The following provisions are amended by striking ''an education individual retirement'' each place it appears and inserting ''a Coverdell education savings'':

(i) Section 72(e)(9).

(ii) Section 135(c)(2)(C).

(iii) Section 4973(a).

(iv) Subsections (c) and (e) of section 4975.

(B) The following provisions are amended by striking ''education individual retirement'' each place it appears in the text and inserting ''Coverdell education savings'':

(i) Section 26(b)(2)(E).

(ii) Section 4973(e).

(iii) Section 6693(a)(2)(D).

(C) The headings for the following provisions are amended by striking ''EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS'' each place it appears and inserting ''COVERDELL EDUCATION SAVINGS ACCOUNTS''.

(i) Section 72(e)(9).

(ii) Section 135(c)(2)(C).

(iii) Section 4973(e).

(iv) Section 4975(c)(5).

(i) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2001.

(2) SUBSECTION (h).—The amendments made by subsection (h) shall take effect on the date of the enactment of this Act.

SEC. ___02. EXCLUSION FROM INCOME OF CERTAIN AMOUNTS CONTRIBUTED TO COVERDELL EDUCATION SAVINGS ACCOUNTS.

(a) IN GENERAL.—Section 127 (relating to education assistance programs) is amended by redesignating subsections (d) and (e) as subsections (e) and (f), respectively, and by inserting after subsection (c) the following new subsection:

''(d) QUALIFIED COVERDELL EDUCATION SAVINGS ACCOUNT CONTRIBUTIONS.—

''(1) IN GENERAL.—Gross income of an employee shall not include amounts paid or incurred by the employer for a qualified Coverdell education savings account contribution on behalf of the employee.

''(2) QUALIFIED COVERDELL EDUCATION SAVINGS ACCOUNT CONTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified Coverdell education savings account contribution' means an amount contributed pursuant to an educational assistance program described in subsection (b) by an employer to a Coverdell education savings account established and maintained for the benefit of an employee or the employee's spouse, or any lineal descendent of either.

''(B) DOLLAR LIMIT.—A contribution by an employer to a Coverdell education savings account shall not be treated as a qualified Coverdell education savings account contribution to the extent that the contribution, when added to prior contributions by the employer during the calendar year to Coverdell education savings accounts established and maintained for the same beneficiary, exceeds $500.

''(3) SPECIAL RULES.—

''(A) CONTRIBUTIONS NOT TREATED AS EDUCATIONAL ASSISTANCE IN DETERMINING MAXIMUM EXCLUSION.—For purposes of subsection (a)(2), qualified Coverdell education savings account contributions shall not be treated as educational assistance.

''(B) SELF-EMPLOYED NOT TREATED AS EMPLOYEE.—For purposes of this subsection, subsection (c)(2) shall not apply.

''(C) ADJUSTED GROSS INCOME PHASEOUT OF ACCOUNT CONTRIBUTION NOT APPLICABLE TO INDIVIDUAL EMPLOYERS.—The limitation under section 530(c) shall not apply to a qualified Coverdell education savings account contribution made by an employer who is an individual.

''(D) CONTRIBUTIONS NOT TREATED AS AN INVESTMENT IN THE CONTRACT.—For purposes of section 530(d), a qualified Coverdell education savings account contribution shall not be treated as an investment in the contract.''.

(b) REPORTING REQUIREMENT.—Section 6051(a) (relating to receipts for employees) is amended by striking ''and'' at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting '', and'', and by adding at the end the following new paragraph:

''(12) the amount of any qualified Coverdell education savings account contribution under section 127(d) with respect to such employee.''.

(c) CONFORMING AMENDMENT.—Section 221(e)(2)(A) is amended by inserting ''(other than under subsection (d) thereof)'' after ''section 127''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2001.

SA 559. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE ___—EDUCATIONAL CHOICES FOR DISADVANTAGED CHILDREN.

SEC. ___01. PURPOSES.

The purposes of this title are—

(1) to assist the District of Columbia to—

(A) give children from low-income families in the District of Columbia the same choices among all elementary schools and secondary schools and other academic programs as children from wealthier families already have;

(B) improve schools and other academic programs in the District of Columbia by giving parents in low-income families increased consumer power to choose the schools and programs that the parents determine best fit the needs of their children; and

(C) more fully engage parents in the District of Columbia in their children's schooling; and

(2) to demonstrate, through a 3-year grant program, the effects of a voucher program in the District of Columbia that gives parents in low-income families—

(A) choice among public, private, and religious schools for their children; and

(B) access to the same academic options as parents in wealthy families have for their children.

SEC. ___02. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this title (other than section ___09) $25,000,000 for each of fiscal years 2002 through 2005.

(b) EVALUATION.—There is authorized to be appropriated to carry out section ___09 $1,000,000 for each of fiscal years 2002 through 2005.

SEC. ___03. PROGRAM AUTHORITY.

(a) IN GENERAL.—From amounts made available to carry out this title, the Secretary of Education shall award grants to the District of Columbia to enable the District of Columbia to carry out educational choice programs that provide scholarships, in accordance with this title.

(b) LIMIT ON FEDERAL ADMINISTRATIVE EXPENDITURES.—The Secretary of Education may reserve not more than 2 percent of the amounts appropriated under section ___02(a) for a fiscal year to the District of Columbia Board of Education or other entity that exercises administrative jurisdiction over the District of Columbia public schools, the Superintendent of the District of Columbia public schools, and other school scholarship programs in the District of Columbia, to pay for the costs of administering this title.

SEC. ___04. ELIGIBLE SCHOOLS.

(a) ELIGIBILITY.—

(1) IN GENERAL.—Schools identified under paragraph (2) shall be considered to be eligible schools under this title. The identification under paragraph (2) shall be carried out by the District of Columbia Board of Education or other entity that exercises administrative jurisdiction over the District of Columbia public schools, the Superintendent of the District of Columbia public schools, and other school scholarship programs in the District of Columbia.

(2) DETERMINATION.—Not later than 180 days after the date of enactment of this title, the District of Columbia shall identify the public elementary schools and secondary schools that are at or below the 25th percentile for academic performance of schools in the District of Columbia.

(b) PERFORMANCE.—The District of Columbia shall determine the academic performance of a school under this section based on such criteria as the District of Columbia may consider to be appropriate.

SEC. ___05. SCHOLARSHIPS.

(a) IN GENERAL.—

(1) SCHOLARSHIP AWARDS.—With funds awarded under this title, District of Columbia Board of Education shall provide scholarships to the parents of eligible children, in accordance with subsections (b) and (c). The District of Columbia shall ensure that the scholarships may be redeemed for elementary or secondary education for the eligible children at any of a broad variety of public and private schools, including religious schools, in the District of Columbia.

(2) SCHOLARSHIP AMOUNT.—The amount of each scholarship shall be $2000 per year.

(3) TAX EXEMPTION.—Scholarships awarded under this title shall not be considered income of the parents for Federal income tax purposes or for determining eligibility for any other Federal program.

(b) ELIGIBLE CHILD.—To be eligible to receive a scholarship under this title, a child shall be—

(1) a child who is enrolled in a public elementary school or secondary school that is an eligible school; and

(2) a member of a family with a family income that is not more than 200 percent of the poverty line.

(c) AWARD RULES.—

(1) PRIORITY.—In providing scholarships under this title, the District of Columbia shall provide scholarships for eligible children through a lottery system administered for all eligible schools in the District of Columbia.

(2) CONTINUING ELIGIBILITY.—The District of Columbia shall provide a scholarship in each year of the program to each child who received a scholarship during the previous year of the program, unless—

(A) the child no longer resides in the area served by an eligible school;

(B) the child no longer attends school;

(C) the child's family income exceeds, by 20 percent or more, 200 percent of the poverty line;

(D) the child is expelled; or

(E) the child is convicted of possession of a weapon on school grounds, convicted of a violent act against another student or a member of the school's faculty, or convicted of a felony, including felonious drug possession.

SEC. ___06. USES OF FUNDS.

Any scholarship awarded under this title for a year shall be used—

(1) first, for—

(A) the payment of tuition and fees at the school selected by the parents of the child for whom the scholarship was provided; and

(B) the reasonable costs of the child's transportation to the school, if the school is not the school to which the child would be assigned in the absence of a program under this title;

(2) second, if the parents so choose, to obtain supplementary academic services for the child, at a cost of not more than $500, from any provider chosen by the parents, that the District of Columbia determines is capable of providing such services and has an appropriate refund policy; and

(3) finally, for educational programs that help the eligible child achieve high levels of academic excellence in the school attended by the eligible child, if the eligible child chooses to attend a public school.

SEC. ___07. REQUIREMENT.

The District of Columbia shall allow lawfully operating public and private elementary schools and secondary schools, including religious schools, if any, serving the area involved to participate in the program.

SEC. ___08. EFFECT OF PROGRAMS.

(a) TITLE I.—Notwithstanding any other provision of law, if the District of Columbia would, in the absence of an educational choice program that is funded under this title, provide services to a participating eligible child under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), the District of Columbia shall ensure the provision of such services to such child.

(b) INDIVIDUALS WITH DISABILITIES.—Nothing in this title shall be construed to affect

the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(c) AID.—

(1) IN GENERAL.—Scholarships under this title shall be considered to aid families, not institutions. For purposes of determining Federal assistance under Federal law, a parent's expenditure of scholarship funds under this title at a school or for supplementary academic services shall not constitute Federal financial aid or assistance to that school or to the provider of supplementary academic services.

(2) SUPPLEMENTARY ACADEMIC SERVICES.—

(A) IN GENERAL.—Notwithstanding paragraph (1), a school or provider of supplementary academic services that receives scholarship funds under this title shall, as a condition of participation under this title, comply with the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(B) REGULATIONS.—The Secretary of Education shall promulgate regulations to implement the provisions of subparagraph (A), taking into account the purposes of this title and the nature, variety, and missions of schools and providers that may participate in providing services to children under this title.

(d) OTHER FEDERAL FUNDS.—No Federal, State, or local agency may, in any year, take into account Federal funds provided to the District of Columbia or to the parents of any child under this title in determining whether to provide any other funds from Federal, State, or local resources, or in determining the amount of such assistance, to the District of Columbia or to a school attended by such child.

(e) NO DISCRETION.—Nothing in this title shall be construed to authorize the Secretary of Education to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school participating in a program under this title.

SEC. ___09. EVALUATION.

The Comptroller General of the United States shall conduct an evaluation of the program authorized by this title. Such evaluation shall, at a minimum—

(1) assess the implementation of educational choice programs assisted under this title and their effect on participants, schools, and communities in the school districts served, including parental involvement in, and satisfaction with, the program and their children's education;

(2) compare the educational achievement of participating eligible children with the educational achievement of similar non-participating children before, during, and after the program; and

(3) compare—

(A) the educational achievement of eligible children who use scholarships to attend schools other than the schools the children would attend in the absence of the program; with

(B) the educational achievement of children who attend the schools the children would attend in the absence of the program.

SEC. ___10. ENFORCEMENT.

(a) REGULATIONS.—The Secretary of Education shall promulgate regulations to enforce the provisions of this title.

(b) PRIVATE CAUSE.—No provision or requirement of this title shall be enforced through a private cause of action.

SEC. ___11. WASTEFUL SPENDING AND FUNDING.

(a) IN GENERAL.—The Committee on Finance and the Committee on Appropriations of the Senate and the Committee on Ways and Means and the Committee on Appropriations of the House of Representatives shall identify wasteful spending by the Federal Government as a means of providing funding for this title.

(b) REPORT.—Not later than 60 days after the date of enactment of this title, the committees referred to in subsection (a) shall jointly prepare and submit to the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, a report concerning the spending identified under such subsection.

SA 560. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of part E of title I, add the following:

SEC. ___. EARLY EDUCATION.

(a) SHORT TITLE.—This section may be cited as the ''Early Education Act of 2001''.

(b) FINDINGS.—Congress makes the following findings:

(1) In 1989 the Nation's governors established a goal that all children would have access to high quality early education programs by the year 2000. As of January 1, 2001, this goal has still not been achieved.

(2) Research suggests that a child's early years are critical to the development of the brain. Early brain development is an important component of educational and intellectual achievement.

(3) The National Research Council reported that early education opportunities are necessary if children are going to develop the language and literacy skills necessary to learn to read.

(4) Evaluations of early education programs demonstrate that compared to children with similar backgrounds who have not participated in early education programs, children who participate in such programs—

(A) perform better on reading and mathematics achievement tests;

(B) are more likely to stay academically near their grade level and make normal academic progress throughout elementary school;

(C) are less likely to be held back a grade or require special education services in elementary school;

(D) show greater learning retention, initiative, creativity, and social competency; and

(E) are more enthusiastic about school and are more likely to have good attendance records.

(5) Studies have estimated that for every dollar invested in quality early education, about 7 dollars are saved in later costs.

(c) EARLY EDUCATION.—Title I (20 U.S.C. 6301 et seq.), as amended in section 151, is further amended by adding at the end the following:

''PART I—EARLY EDUCATION

''SEC. 1841. EARLY EDUCATION.

''(a) PURPOSE.—The purpose of this section is to establish a program to develop the foundation of early literacy and numerical training among young children by helping State educational agencies expand the existing education system to include early education for all children.

''(b) DEFINITION OF EARLY EDUCATION.—In this part, the term 'early education' means not less than a half-day of schooling each week day during the academic year preceding the academic year a child enters kindergarten.

''(c) PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized to award grants to not fewer than 10 State educational agencies to enable the State educational agencies to expand the existing education system with programs that provide early education.

''(2) MATCHING REQUIREMENT.—The amount provided to a State educational agency under paragraph (1) shall not exceed 50 percent of the cost of the program described in the application submitted pursuant to subsection (d).

''(3) REQUIREMENTS.—Each program assisted under this section—

''(A) shall be carried out by 1 or more local educational agencies, as selected by the State educational agency;

''(B) shall be carried out—

''(i) in a public school building; or

''(ii) in another facility by, or through a contract or agreement with, a local educational agency;

''(C) shall be available to all children served by a local educational agency carrying out the program; and

''(D) shall only involve instructors who are licensed or certified in accordance with applicable State law.

''(d) APPLICATION.—Each State educational agency desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall—

''(1) include a description of—

''(A) the program to be assisted under this section; and

''(B) how the program will meet the purpose of this section; and

''(2) contain a statement of the total cost of the program and the source of the matching funds for the program.

''(e) SECRETARIAL AUTHORITY.—In order to carry out the purpose of this section, the Secretary—

''(1) shall establish a system for the monitoring and evaluation of, and shall annually report to Congress regarding, the programs funded under this section; and

''(2) may establish any other policies, procedures, or requirements, with respect to the programs.

''(f) SUPPLEMENT NOT SUPPLANT.—Funds made available under this section shall be used to supplement, not supplant, other Federal, State, or local funds, including funds provided under Federal programs such as the Head Start programs carried out under the Head Start Act and the Even Start Family Literacy Program carried out under part B.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $300,000,000 for each of the fiscal years 2002 through 2006.''.

SA 561. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 256, line 21, strike ''; and'' and insert a semicolon.

On page 256, line 24, strike the period and insert ''; and''.

On page 256, after line 24, add the following:

''(I) an assurance that the eligible organization will, to the extent practicable, carry out the proposed program with community-based organizations, such as the Police Athletic and Activities Leagues, that have a history of providing academically-based after school programs.

SA 562. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 902. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) The aftershool programs provided through 21st Century Community Learning Centers grants are proven strategies that should be encouraged.

(2) The demand for afterschool education is very high, with over 7,000,000 children without afterschool opportunities.

(3) Afterschool programs improve education achievement and have widespread support, with over 80 percent of the American people supporting such programs.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) Congress should continue toward the goal of providing the necessary funding for afterschool program by appropriating the authorized level of $1,500,000,000 for fiscal year 2002 to carry out part F title I of the Elementary and Secondary Education Act of 1965; and

(2) such funding should be the benchmark for future years in order to reach the goal of providing academically enriched activities during after school hours for the 7,000,000 children in need.

SA 563. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. 902. SENSE OF THE SENATE; AUTHORIZATION OF APPROPRIATIONS.

(a) SENSE OF THE SENATE.—Congress finds that—

(1) Congress should continue toward the goal of providing the necessary funding for afterschool programs by appropriating the authorized level of $1,500,000 for FY 2002 to carry out part F title I of the Elementary and Secondary Education Act of 1965.

(2) This funding should be the benchmark for future years in order to reach the goal of providing academically enriched activities during after school hours for the 7,000,000 children in need.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out part F of Title I of the Elementary and Secondary Education Act of 1965—

(1) $2,000,000,000 for fiscal year 2003;
(2) $2,500,000,000 for fiscal year 2004;
(3) $3,000,000,000 for fiscal year 2005;
(4) $3,500,000,000 for fiscal year 2006;
(5) $4,000,000,000 for fiscal year 2007;
(6) $4,500,000,000 for fiscal year 2008;

SA 564. Mr. BYRD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 548, between lines 11 and 12, insert the following:

''SEC. 4119. COMMUNITY SERVICE DURING PERIODS OF EXPULSION OR SUSPENSION.

''(a) REQUIREMENT FOR STATE LAW.—Each State receiving Federal funds under this subpart shall have in effect a State law that—

''(1) requires each student expelled or suspended from school for a period to participate in a community service activity for the same number of hours as the student would have been in school during that period if the student had not been expelled or suspended;

''(2) provides for the community service activity in which the student participates to be—

''(A) a community service activity that involves drug and violence prevention, if such an activity is available for the student's participation; or

''(B) any similar community service activity, to the extent that an activity described in subparagraph (A) is not available for the student's participation; and

''(3) to the extent that the State law authorizes a local educational agency to administer the requirement for community service under the law, requires that the local educational agency designate a single official of that agency to coordinate the administration of the requirement for community service with the schools of that agency and with community organizations concerned with the community service.

''(b) FUNDING.—Funds allocated to a State under this subpart shall be available for the administration of a law described in subsection (a) that is in effect in that State.

SA 565. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, strike line 14 and insert the following:

remain available until expended.

''PART B—POVERTY DATA

''SEC. 9201. POVERTY DATA ADJUSTMENTS.

''Whenever the Secretary uses any data that relates to the incidence of poverty and is produced or published by or for the Secretary of Commerce for subnational, State or substate areas, the Secretary shall adjust the data to account for differences in the cost of living in the areas.''.

SA 566. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, strike lines 3 through 8 and insert the following:

''(B) 40 percent of the average per pupil expenditure in the State, except that—

''(i) if the average per pupil expenditure in the State is less than 95 percent of the average per pupil expenditure in the United States, the amount shall be 95 percent of the average per pupil expenditure in the United States; or

''(ii) if the average per pupil expenditure in the State is more than 105 percent of the average per pupil expenditure in the United States, the amount shall be 105 percent of the average per pupil expenditure in the United States.

SA 567. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 90 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 85 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 568. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 85 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 569. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 570. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 65 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 571. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 65 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 572. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. . RIGHT-TO-KNOW ON ARSENIC IN SCHOOL DRINKING WATER.

Part F of the Safe Drinking Water Act (42 U.S.C. 300j–21 et seq.) is amended by adding at the end the following:

''SEC. 1466. NOTICE CONCERNING ARSENIC IN SCHOOL DRINKING WATER.

''Any entity that discharges or releases arsenic into the environment that contributes to the presence of arsenic in the drinking water supply of any public school in a concentration greater than 0.0050 milligrams per liter, as determined by the Administrator, shall submit the parents or guardians of each child enrolled at that school a notice that—

''(1) describes the concentration of arsenic in the drinking water of the school; and

''(2) includes a summary of the health effects of arsenic, in accordance with guidance issued by the Administrator.''.

SA 573. Mr. HELMS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

TITLE SCHOOLCHILDREN'S HEALTH PROTECTION

SEC. ___1. SHORT TITLE.

This title may be cited as the ''Schoolchildren's Health Protection Act''.

SEC. ___2. SCHOOLCHILDREN'S HEALTH PROTECTION.

(a) IN GENERAL.—Notwithstanding any other provision of law (including the specific provisions described in subsection (b)), no funds made available through the Department of Education or the Department of Health and Human Services shall be used for the distribution or provision of postcoital emergency contraception, or the distribution or provision of a prescription for postcoital emergency contraception, to an unemancipated minor, on the premises or in the facilities of any elementary school or secondary school, without the written consent of such minor's parent for, and prior to, each such distribution or provision.

(b) SPECIFIC PROVISIONS.—The specific provisions referred to in subsection (a) are section 330 and title X of the Public Health Service Act (42 U.S.C. 254b, 300 et seq.) and title V and XIX of the Social Security Act (42 U.S.C. 701 et seq., 1396 et seq.).

(c) DEFINITIONS.—In this section:

(1) ELEMENTARY SCHOOL; SECONDARY SCHOOL.—The terms ''elementary school'' and ''secondary school'' have the meanings given the terms in section 3 of the Elementary and Secondary Education Act of 1965.

(2) POSTCOITAL EMERGENCY CONTRACEPTION.—The term ''postcoital emergency contraception'' means any of the regimens described in the notice entitled ''Prescription Drug Products; Certain Combined Oral Contraceptives for Use as Postcoital Emergency Contraception'', published in the Federal Register on February 25, 1997, 62 Fed. Reg. 8610 (or any corresponding similar notice).

(3) UNEMANCIPATED MINOR.—The term ''unemancipated minor'' means an unmarried individual who is 17 years of age or younger and is a dependent, as defined in section 152(a) of the Internal Revenue Code of 1986.

(4) WRITTEN CONSENT.—The term ''written consent'', used with respect to the parental consent described in subsection (a), means written consent by a parent that the postcoital emergency contraception may be distributed or provided to the unemancipated minor of the parent, or a prescription for the contraception may be distributed or provided to such minor.

SA 574. Mr. HELMS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

TITLE—EQUAL ACCESS TO PUBLIC SCHOOL FACILITIES

SEC. ___1. SHORT TITLE.

This title may be cited as the ''Boy Scouts of America Equal Access Act''.

SEC. ___2. EQUAL ACCESS.

(a) IN GENERAL.—Notwithstanding any other provision of law, no funds made available through the Department of Education shall be provided to any public elementary school, public secondary school, local educational agency, or State educational agency, if the school or a school served by the agency—

(1) has a designated open forum; and

(2) denies equal access or a fair opportunity to meet to, or discriminates against, any group affiliated with the Boy Scouts of America or any other youth group that wishes to conduct a meeting within that designated open forum, on the basis of the membership or leadership criteria of the Boy Scouts of America or of the youth group that prohibit the acceptance of homosexuals, or individuals who reject the Boy Scouts' or the youth group's oath of allegiance to God and country, as members or leaders.

(b) TERMINATION OF ASSISTANCE AND OTHER ACTION.—

(1) DEPARTMENTAL ACTION.—The Secretary is authorized and directed to effectuate subsection (a) by issuing, and securing compliance with, rules or orders with respect to a public school or agency that receives funds made available through the Department of Education and that denies equal access, or a fair opportunity to meet, or discriminates, as described in subsection (a).

(2) PROCEDURE.—The Secretary shall issue and secure compliance with the rules or orders, under paragraph (1), in a manner consistent with the procedure used by a Federal department or agency under section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d–1).

(3) JUDICIAL REVIEW.—Any action taken by the Secretary under paragraph (1) shall be subject to the judicial review described in section 603 of that Act (42 U.S.C. 2000d–2). Any person aggrieved by the action may obtain that judicial review in the manner, and to the extent, provided in section 603 of that Act.

(c) DEFINITIONS AND RULE.—

(1) DEFINITIONS.—In this section:

(A) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL; STATE EDUCATIONAL AGENCY.—The terms ''elementary school'', ''local educational agency'', ''secondary school'', and ''State educational agency'' have the meanings given the terms in section 3 of the Elementary and Secondary Education Act of 1965.

(B) SECRETARY.—The term ''Secretary'' means the Secretary of Education, acting through the Assistant Secretary for Civil Rights of the Department of Education.

(C) YOUTH GROUP.—The term ''youth group'' means any group or organization intended to serve young people under the age of 21.

(2) RULE.—For purposes of this section, an elementary school or secondary school has a

designated open forum whenever the school involved grants an offering to or opportunity for 1 or more youth or community groups to meet on school premises or in school facilities before or after the hours during which attendance at the school is compulsory.

SA 575. Mr. HARKIN (for himself, Mr. KERRY, Mr. LEVIN, Mr. BIDEN, Mr. REID, Mr. JOHNSON, Mr. CORZINE, and Ms. CANTWELL) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. ____. PUBLIC SCHOOL REPAIR AND RENOVATION; CHARTER SCHOOL FACILITY ACQUISITION.

(a) SHORT TITLE.—This section may be cited as the ''Public School Repair and Renovation Act of 2001''.

(b) GRANTS FOR SCHOOL RENOVATION.—Title IX, as added by section 901, is amended by adding at the end the following:

"PART B—SCHOOL RENOVATION

"SEC. 9201. GRANTS FOR SCHOOL RENOVATION.

''(a) IN GENERAL.—

''(1) ALLOCATION OF FUNDS.—Of the amount appropriated for each fiscal year under subsection (k), the Secretary of Education shall allocate—

''(A) 6.0 percent of such amount for grants to impacted local educational agencies (as defined in paragraph (3)) for school repair, renovation, and construction;

''(B) 0.25 percent of such amount for grants to outlying areas for school repair and renovation in high-need schools and communities, allocated on such basis, and subject to such terms and conditions, as the Secretary determines appropriate;

''(C) 2 percent of such amount for grants to public entities, private nonprofit entities, and consortia of such entities, for use in accordance with subpart 2 of part C of this title X; and

''(D) the remainder to State educational agencies in proportion to the amount each State received under part A of title I for fiscal year 2001, except that no State shall receive less than 0.5 percent of the amount allocated under this subparagraph.

''(2) DETERMINATION OF GRANT AMOUNT.—

''(A) DETERMINATION OF WEIGHTED STUDENT UNITS.—For purposes of computing the grant amounts under paragraph (1)(A) for fiscal year 2001, the Secretary shall determine the results obtained by the computation made under section 8003 with respect to children described in subsection (a)(1)(C) of such section and computed under subsection (a)(2)(B) of such section for such year—

''(i) for each impacted local educational agency that receives funds under this section; and

''(ii) for all such agencies together.

''(B) COMPUTATION OF PAYMENT.—For fiscal year 2002, the Secretary shall calculate the amount of a grant to an impacted local educational agency by—

''(i) dividing the amount described in paragraph (1)(A) by the results of the computation described in subparagraph (A)(ii); and

''(ii) multiplying the number derived under clause (i) by the results of the computation described in subparagraph (A)(i) for such agency.

''(3) DEFINITION.—For purposes of this section, the term 'impacted local educational agency' means, for fiscal year 2001—

''(A) a local educational agency that receives a basic support payment under section 8003(b) for such fiscal year; and

''(B) with respect to which the number of children determined under section 8003(a)(1)(C) for the preceding school year constitutes at least 50 percent of the total student enrollment in the schools of the agency during such school year.

''(b) WITHIN-STATE ALLOCATIONS.—

''(1) ADMINISTRATIVE COSTS.—

''(A) STATE EDUCATIONAL AGENCY ADMINISTRATION.—Except as provided in subparagraph (B), each State educational agency may reserve not more than 1 percent of its allocation under subsection (a)(1)(D) for the purpose of administering the distribution of grants under this subsection.

''(B) STATE ENTITY ADMINISTRATION.—If the State educational agency transfers funds to a State entity described in paragraph (2)(A), the agency shall transfer to such entity 0.75 of the amount reserved under this paragraph for the purpose of administering the distribution of grants under this subsection.

''(2) RESERVATION FOR COMPETITIVE SCHOOL REPAIR AND RENOVATION GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

''(A) IN GENERAL.—Subject to the reservation under paragraph (1), of the funds allocated to a State educational agency under subsection (a)(1)(D), the State educational agency shall distribute 75 percent of such funds to local educational agencies or, if such State educational agency is not responsible for the financing of education facilities, the agency shall transfer such funds to the State entity responsible for the financing of education facilities (referred to in this section as the 'State entity') for distribution by such entity to local educational agencies in accordance with this paragraph, to be used, consistent with subsection (c), for school repair and renovation.

''(B) COMPETITIVE GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

''(i) IN GENERAL.—The State educational agency or State entity shall carry out a program of competitive grants to local educational agencies for the purpose described in subparagraph (A). Of the total amount available for distribution to such agencies under this paragraph, the State educational agency or State entity, shall, in carrying out the competition—

''(I) award to high poverty local educational agencies described in clause (ii), in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such local educational agencies received under part A of title I for fiscal year 2002 bears to the aggregate amount received for such fiscal year under such part by all local educational agencies in the State;

''(II) award to rural local educational agencies in the State, in the aggregate, at least an amount which bears the same relationship to such total amount as the aggregate amount such rural local educational agencies received under part A of title I for fiscal year 2001 bears to the aggregate amount received for such fiscal year under such part by all local educational agencies in the State; and

''(III) award the remaining funds to local educational agencies not receiving an award under subclause (I) or (II), including high poverty and rural local educational agencies that did not receive such an award.

''(ii) HIGH POVERTY LOCAL EDUCATIONAL AGENCIES.—A local educational agency is described in this clause if—

''(I) the percentage described in subparagraph (C)(i) with respect to the agency is 30 percent or greater; or

''(II) the number of children described in such subparagraph with respect to the agency is at least 10,000.

''(C) CRITERIA FOR AWARDING GRANTS.—In awarding competitive grants under this paragraph, a State educational agency or State entity shall take into account the following criteria:

''(i) The percentage of poor children 5 to 17 years of age, inclusive, in a local educational agency.

''(ii) The need of a local educational agency for school repair and renovation, as demonstrated by the condition of its public school facilities.

''(iii) The fiscal capacity of a local educational agency to meet its needs for repair and renovation of public school facilities without assistance under this section, including its ability to raise funds through the use of local bonding capacity and otherwise.

''(iv) In the case of a local educational agency that proposes to fund a repair or renovation project for a charter school or schools, the extent to which the school or schools have access to funding for the project through the financing methods available to other public schools or local educational agencies in the State.

''(v) The likelihood that the local educational agency will maintain, in good condition, any facility whose repair or renovation is assisted under this section.

''(D) POSSIBLE MATCHING REQUIREMENT.—

''(i) IN GENERAL.—A State educational agency or State entity may require local educational agencies to match funds awarded under this subsection.

''(ii) MATCH AMOUNT.—The amount of a match described in clause (i) may be established by using a sliding scale that takes into account the relative poverty of the population served by the local educational agency.

''(3) RESERVATION FOR COMPETITIVE IDEA OR TECHNOLOGY GRANTS TO LOCAL EDUCATIONAL AGENCIES.—

''(A) IN GENERAL.—Subject to the reservation under paragraph (1), of the funds allocated to a State educational agency under subsection (a)(1)(D), the State educational agency shall distribute 25 percent of such funds to local educational agencies through competitive grant processes, to be used for the following:

''(i) To carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(ii) For technology activities that are carried out in connection with school repair and renovation, including—

''(I) wiring;

''(II) acquiring hardware and software;

''(III) acquiring connectivity linkages and resources; and

''(IV) acquiring microwave, fiber optics, cable, and satellite transmission equipment.

''(B) CRITERIA FOR AWARDING IDEA GRANTS.—In awarding competitive grants under subparagraph (A) to be used to carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), a State educational agency shall take into account the following criteria:

''(i) The need of a local educational agency for additional funds for a student whose individually allocable cost for expenses related

to the Individuals with Disabilities Education Act substantially exceeds the State's average per-pupil expenditure (as defined in section 3).

''(ii) The need of a local educational agency for additional funds for special education and related services under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(iii) The need of a local educational agency for additional funds for assistive technology devices (as defined in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401)) or assistive technology services (as so defined) for children being served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

''(iv) The need of a local educational agency for additional funds for activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) in order for children with disabilities to make progress toward meeting the performance goals and indicators established by the State under section 612(a)(16) of such Act (20 U.S.C. 1412).

''(C) CRITERIA FOR AWARDING TECHNOLOGY GRANTS.—In awarding competitive grants under subparagraph (A) to be used for technology activities that are carried out in connection with school repair and renovation, a State educational agency shall take into account the need of a local educational agency for additional funds for such activities, including the need for the activities described in subclauses (I) through (IV) of subparagraph (A)(ii).

''(c) RULES APPLICABLE TO SCHOOL REPAIR AND RENOVATION.—With respect to funds made available under this section that are used for school repair and renovation, the following rules shall apply:

''(1) PERMISSIBLE USES OF FUNDS.—School repair and renovation shall be limited to one or more of the following:

''(A) Emergency repairs or renovations to public school facilities only to ensure the health and safety of students and staff, including—

''(i) repairing, replacing, or installing roofs, electrical wiring, plumbing systems, sewage systems, windows, or doors;

''(ii) repairing, replacing, or installing heating, ventilation, or air conditioning systems (including insulation); and

''(iii) bringing public schools into compliance with fire and safety codes.

''(B) School facilities modifications necessary to render public school facilities accessible in order to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

''(C) School facilities modifications necessary to render public school facilities accessible in order to comply with section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

''(D) Asbestos abatement or removal from public school facilities.

''(E) Implementing measures designed to reduce or eliminate human exposure to lead-based paint hazards through methods including interim controls or abatement or a combination of each.

''(F) Renovation, repair, and acquisition needs related to the building infrastructure of a charter school.

''(2) IMPERMISSIBLE USES OF FUNDS.—No funds received under this section may be used for—

''(A) payment of maintenance costs in connection with any projects constructed in whole or part with Federal funds provided under this section;

''(B) the construction of new facilities, except for facilities for an impacted local educational agency (as defined in subsection (a)(3)); or

''(C) stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public.

''(3) CHARTER SCHOOLS.—A public charter school that constitutes a local educational agency under State law shall be eligible for assistance under the same terms and conditions as any other local educational agency (as defined in section 3).

''(4) SUPPLEMENT, NOT SUPPLANT.—Excluding the uses described in subparagraphs (B) and (C) of paragraph (1), a local educational agency shall use Federal funds subject to this subsection only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for school repair and renovation.

''(d) SPECIAL RULE.—Each local educational agency that receives funds under this section shall ensure that, if it carries out repair or renovation through a contract, any such contract process ensures the maximum number of qualified bidders, including small, minority, and women-owned businesses, through full and open competition.

''(e) PUBLIC COMMENT.—Each local educational agency receiving funds under paragraph (2) or (3) of subsection (b)—

''(1) shall provide parents, educators, and all other interested members of the community the opportunity to consult on the use of funds received under such paragraph;

''(2) shall provide the public with adequate and efficient notice of the opportunity described in paragraph (1) in a widely read and distributed medium; and

''(3) shall provide the opportunity described in paragraph (1) in accordance with any applicable State and local law specifying how the comments may be received and how the comments may be reviewed by any member of the public.

''(f) REPORTING.—

''(1) LOCAL REPORTING.—Each local educational agency receiving funds under subsection (a)(1)(D) shall submit a report to the State educational agency, at such time as the State educational agency may require, describing the use of such funds for—

''(A) school repair and renovation (and construction, in the case of an impacted local educational agency (as defined in subsection (a)(3)));

''(B) activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); and

''(C) technology activities that are carried out in connection with school repair and renovation, including the activities described in subclauses (I) through (IV) of subsection (b)(3)(A)(ii).

''(2) STATE REPORTING.—Each State educational agency shall submit to the Secretary of Education, not later than December 31, 2003, a report on the use of funds received under subsection (a)(1)(D) by local educational agencies for—

''(A) school repair and renovation (and construction, in the case of an impacted local educational agency (as defined in subsection (a)(3)));

''(B) activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.); and

''(C) technology activities that are carried out in connection with school repair and renovation, including the activities described in subclauses (I) through (IV) of subsection (b)(3)(A)(ii).

''(3) ADDITIONAL REPORTS.—Each entity receiving funds allocated under subsection (a)(1) (A) or (B) shall submit to the Secretary, not later than December 31, 2003, a report on its uses of funds under this section, in such form and containing such information as the Secretary may require.

''(g) APPLICABILITY OF PART B OF IDEA.—If a local educational agency uses funds received under this section to carry out activities under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), such part (including provisions respecting the participation of private school children), and any other provision of law that applies to such part, shall apply to such use.

''(h) REALLOCATION.—If a State educational agency does not apply for an allocation of funds under subsection (a)(1)(D) for fiscal year 2002, or does not use its entire allocation for such fiscal year, the Secretary may reallocate the amount of the State educational agency's allocation (or the remainder thereof, as the case may be) to the remaining State educational agencies in accordance with subsection (a)(1)(D).

''(i) PARTICIPATION OF PRIVATE SCHOOLS.—

''(1) IN GENERAL.—Section 5342 shall apply to subsection (b)(2) in the same manner as it applies to activities under title VI, except that—

''(A) such section shall not apply with respect to the title to any real property renovated or repaired with assistance provided under this section;

''(B) the term 'services' as used in section 5342 with respect to funds under this section shall be provided only to private, nonprofit elementary or secondary schools with a rate of child poverty of at least 40 percent and may include for purposes of subsection (b)(2) only—

''(i) modifications of school facilities necessary to meet the standards applicable to public schools under the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.);

''(ii) modifications of school facilities necessary to meet the standards applicable to public schools under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); and

''(iii) asbestos abatement or removal from school facilities; and

''(C) notwithstanding the requirements of section 5342(b), expenditures for services provided using funds made available under subsection (b)(2) shall be considered equal for purposes of such section if the per-pupil expenditures for services described in subparagraph (B) for students enrolled in private nonprofit elementary and secondary schools that have child poverty rates of at least 40 percent are consistent with the per-pupil expenditures under this section for children enrolled in the public schools in the school district of the local educational agency receiving funds under this section.

''(2) REMAINING FUNDS.—If the expenditure for services described in paragraph (1)(B) is less than the amount calculated under paragraph (1)(C) because of insufficient need for such services, the remainder shall be available to the local educational agency for renovation and repair of public school facilities.

''(3) APPLICATION.—If any provision of this section, or the application thereof, to any person or circumstances is judicially determined to be invalid, the provisions of the remainder of the section and the application to other persons or circumstances shall not be affected thereby.

''(j) DEFINITIONS.—For purposes of this section:

''(1) CHARTER SCHOOL.—The term 'charter school' has the meaning given such term in section 5120(1).

''(2) POOR CHILDREN AND CHILD POVERTY.—The terms 'poor children' and 'child poverty' refer to children 5 to 17 years of age, inclusive, who are from families with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant (42 U.S.C. 9902(2)) applicable to a family of the size involved for the most recent fiscal year for which data satisfactory to the Secretary are available.

''(3) RURAL LOCAL EDUCATIONAL AGENCY.—The term 'rural local educational agency' means a local educational agency that the State determines is located in a rural area using objective data and a commonly employed definition of the term 'rural'.

''(4) STATE.—The term 'State' means each of the 50 states, the District of Columbia, and the Commonwealth of Puerto Rico.

''(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $1,600,000,000 for fiscal year 2002, and such sums as may be necessary for each of fiscal years 2003 through 2006.''.

(c) CHARTER SCHOOL FACILITY ACQUISITION.—Part A of title V, as amended by section 501, is further amended by adding at the end the following:

"Subpart 4—Credit Enhancement Initiatives To Assist Charter School Facility Acquisition, Construction, and Renovation

"SEC. 5161. PURPOSE.

''The purpose of this subpart is to provide one-time grants to eligible entities to permit them to demonstrate innovative credit enhancement initiatives that assist charter schools to address the cost of acquiring, constructing, and renovating facilities.

"SEC. 5162. GRANTS TO ELIGIBLE ENTITIES.

''(a) IN GENERAL.—The Secretary shall use 100 percent of the amount available to carry out this subpart to award not less than three grants to eligible entities having applications approved under this subpart to demonstrate innovative methods of assisting charter schools to address the cost of acquiring, constructing, and renovating facilities by enhancing the availability of loans or bond financing.

''(b) GRANTEE SELECTION.—The Secretary shall evaluate each application submitted, and shall make a determination of which are sufficient to merit approval and which are not. The Secretary shall award at least one grant to an eligible entity described in section 5160(2)(A), at least one grant to an eligible entity described in section 5160(2)(B), and at least one grant to an eligible entity described in section 5160(2)(C), if applications are submitted that permit the Secretary to do so without approving an application that is not of sufficient quality to merit approval.

''(c) GRANT CHARACTERISTICS.—Grants under this subpart shall be of a sufficient size, scope, and quality so as to ensure an effective demonstration of an innovative means of enhancing credit for the financing of charter school acquisition, construction, or renovation.

''(d) SPECIAL RULE.—In the event the Secretary determines that the funds available are insufficient to permit the Secretary to award not less than three grants in accordance with subsections (a) through (c), such three-grant minimum and the second sentence of subsection (b) shall not apply, and the Secretary may determine the appropriate number of grants to be awarded in accordance with subsection (c).

"SEC. 5163. APPLICATIONS.

''(a) IN GENERAL.—To receive a grant under this subpart, an eligible entity shall submit to the Secretary an application in such form as the Secretary may reasonably require.

''(b) CONTENTS.—An application under subsection (a) shall contain—

''(1) a statement identifying the activities proposed to be undertaken with funds received under this subpart, including how the applicant will determine which charter schools will receive assistance, and how much and what types of assistance charter schools will receive;

''(2) a description of the involvement of charter schools in the application's development and the design of the proposed activities;

''(3) a description of the applicant's expertise in capital market financing;

''(4) a description of how the proposed activities will leverage the maximum amount of private-sector financing capital relative to the amount of government funding used and otherwise enhance credit available to charter schools;

''(5) a description of how the applicant possesses sufficient expertise in education to evaluate the likelihood of success of a charter school program for which facilities financing is sought;

''(6) in the case of an application submitted by a State governmental entity, a description of the actions that the entity has taken, or will take, to ensure that charter schools within the State receive the funding they need to have adequate facilities; and

''(7) such other information as the Secretary may reasonably require.

"SEC. 5164. CHARTER SCHOOL OBJECTIVES.

''An eligible entity receiving a grant under this subpart shall use the funds deposited in the reserve account established under section 5165(a) to assist one or more charter schools to access private sector capital to accomplish one or both of the following objectives:

''(1) The acquisition (by purchase, lease, donation, or otherwise) of an interest (including an interest held by a third party for the benefit of a charter school) in improved or unimproved real property that is necessary to commence or continue the operation of a charter school.

''(2) The construction of new facilities, or the renovation, repair, or alteration of existing facilities, necessary to commence or continue the operation of a charter school.

"SEC. 5165. RESERVE ACCOUNT.

''(a) USE OF FUNDS.—To assist charter schools to accomplish the objectives described in section 5164, an eligible entity receiving a grant under this subpart shall, in accordance with State and local law, directly or indirectly, alone or in collaboration with others, deposit the funds received under this subpart (other than funds used for administrative costs in accordance with section 5166) in a reserve account established and maintained by the entity for this purpose. Amounts deposited in such account shall be used by the entity for one or more of the following purposes:

''(1) Guaranteeing, insuring, and reinsuring bonds, notes, evidences of debt, loans, and interests therein, the proceeds of which are used for an objective described in section 5164.

''(2) Guaranteeing and insuring leases of personal and real property for an objective described in section 5164.

''(3) Facilitating financing by identifying potential lending sources, encouraging private lending, and other similar activities that directly promote lending to, or for the benefit of, charter schools.

''(4) 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).

''(b) INVESTMENT.—Funds received under this subpart and deposited in the reserve account shall be invested in obligations issued or guaranteed by the United States or a State, or in other similarly low-risk securities.

''(c) REINVESTMENT OF EARNINGS.—Any earnings on funds received under this subpart shall be deposited in the reserve account established under subsection (a) and used in accordance with such subsection.

"SEC. 5166. LIMITATION ON ADMINISTRATIVE COSTS.

An eligible entity may use not more than 0.25 percent of the funds received under this subpart for the administrative costs of carrying out its responsibilities under this subpart.

"SEC. 5167. AUDITS AND REPORTS.

''(a) FINANCIAL RECORD MAINTENANCE AND AUDIT.—The financial records of each eligible entity receiving a grant under this subpart shall be maintained in accordance with generally accepted accounting principles and shall be subject to an annual audit by an independent public accountant.

''(b) REPORTS.—

''(1) GRANTEE ANNUAL REPORTS.—Each eligible entity receiving a grant under this subpart annually shall submit to the Secretary a report of its operations and activities under this subpart.

''(2) CONTENTS.—Each such annual report shall include—

''(A) a copy of the most recent financial statements, and any accompanying opinion on such statements, prepared by the independent public accountant reviewing the financial records of the eligible entity;

''(B) a copy of any report made on an audit of the financial records of the eligible entity that was conducted under subsection (a) during the reporting period;

''(C) an evaluation by the eligible entity of the effectiveness of its use of the Federal funds provided under this subpart in leveraging private funds;

''(D) a listing and description of the charter schools served during the reporting period;

''(E) a description of the activities carried out by the eligible entity to assist charter schools in meeting the objectives set forth in section 5164; and

''(F) a description of the characteristics of lenders and other financial institutions participating in the activities undertaken by the eligible entity under this subpart during the reporting period.

''(3) SECRETARIAL REPORT.—The Secretary shall review the reports submitted under paragraph (1) and shall provide a comprehensive annual report to Congress on the activities conducted under this subpart.

"SEC. 5168. NO FULL FAITH AND CREDIT FOR GRANTEE OBLIGATIONS.

''No financial obligation of an eligible entity entered into pursuant to this subpart (such as an obligation under a guarantee, bond, note, evidence of debt, or loan) shall be an obligation of, or guaranteed in any respect by, the United States. The full faith and credit of the United States is not pledged to the payment of funds which may be required to be paid under any obligation made by an eligible entity pursuant to any provision of this subpart.

"SEC. 5169. RECOVERY OF FUNDS.

''(a) IN GENERAL.—The Secretary, in accordance with chapter 37 of title 31, United States Code, shall collect—

''(1) all of the funds in a reserve account established by an eligible entity under section 5165(a) if the Secretary determines, not earlier than 2 years after the date on which the entity first received funds under this subpart, that the entity has failed to make substantial progress in carrying out the purposes described in section 5165(a); or

''(2) all or a portion of the funds in a reserve account established by an eligible entity under section 5165(a) if the Secretary determines that the eligible entity has permanently ceased to use all or a portion of the funds in such account to accomplish any purpose described in section 5165(a).

''(b) EXERCISE OF AUTHORITY.—The Secretary shall not exercise the authority provided in subsection (a) to collect from any eligible entity any funds that are being properly used to achieve one or more of the purposes described in section 5165(a).

''(c) PROCEDURES.—The provisions of sections 451, 452, and 458 of the General Education Provisions Act (20 U.S.C. 1234 et seq.) shall apply to the recovery of funds under subsection (a).

''(d) CONSTRUCTION.—This section shall not be construed to impair or affect the authority of the Secretary to recover funds under part D of the General Education Provisions Act (20 U.S.C. 1234 et seq.).

"SEC. 5170. DEFINITIONS.

''In this subpart:

''(1) The term 'charter school' has the meaning given such term in section 5120.

''(2) The term ''eligible entity'' means—

''(A) a public entity, such as a State or local governmental entity;

''(B) a private nonprofit entity; or

''(C) a consortium of entities described in subparagraphs (A) and (B).

"SEC. 5171. AUTHORIZATION OF APPROPRIATIONS.

''For the purpose of carrying out this subpart, there are authorized to be appropriated $100,000,000 for fiscal year 2001.''.

SA 576. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SECTION 1. ESEA.

The provisions of the Jeffords amendment No. 358 (107th Congress) are incorporated into this Act and enacted into law.

TITLE —NATIONAL COLLEGIATE AND AMATEUR ATHLETIC PROTECTION ACT OF 2001

SEC. 01. SHORT TITLE.

This title may be cited as the ''National Collegiate and Amateur Athletic Protection Act of 2001''.

SEC. 02. TASK FORCE ON ILLEGAL WAGERING ON AMATEUR AND COLLEGIATE SPORTING EVENTS.

(a) ESTABLISHMENT.—The Attorney General shall establish a prosecutorial task force on illegal wagering on amateur and collegiate sporting events (referred to in this section as the ''task force'').

(b) DUTIES.—The task force shall—

(1) coordinate enforcement of Federal laws that prohibit gambling relating to amateur and collegiate athletic events; and

(2) submit annually, to the House of Representatives and the Senate a report describing specific violations of such laws, prosecutions commenced, and convictions obtained.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $4,000,000 in fiscal year 2002 and $6,000,000 in each of the fiscal years 2003 through 2006.

SEC. 03. INCREASED PENALTIES FOR ILLEGAL SPORTS GAMBLING.

(a) INTERSTATE TRANSMISSION OF BETS OR INFORMATION ASSISTING IN PLACING BETS ON SPORTING EVENTS.—Section 1084(a) of title 18, United States Code, is amended by striking ''two'' and inserting ''5''.

(b) INTERSTATE TRANSPORTATION OF WAGERING PARAPHERNALIA.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: ''If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

(c) ILLEGAL GAMBLING BUSINESS.—Section 1955(a) of title 18, United States Code, is amended by adding at the end the following: ''If the gambling business included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

(d) INTERSTATE TRAVEL TO PROMOTE AND CONDUCT AN ILLEGAL GAMBLING BUSINESS.—Section 1952 of title 18, United States Code, is amended by adding at the end the following:

''(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

(e) SPORTS BRIBERY.—Section 224(a) of title 18, United States Code, is amended by adding at the end the following: ''If the purpose of the bribery is to affect the outcome of a bet or wager placed on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

SEC. 04. STUDY ON ILLEGAL SPORTS GAMBLING BEHAVIOR AMONG MINORS.

(a) IN GENERAL.—The Director of the National Institute of Justice shall conduct a study to determine the extent to which minor persons participate in illegal sports gambling activities.

(b) REPORT.—Not later than 2 years after the date of enactment of this title, the Director of the National Institute of Justice shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report—

(1) describing the extent to which minor persons participate in illegal sports gambling activities; and

(2) making recommendations on actions that should be taken to curtail participation by minor persons in sports gambling activities.

SEC. 05. STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

(a) ESTABLISHMENT OF PANEL.—Not later than 90 days after the date of enactment of this title, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling.

(b) CONTENTS OF STUDY.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sports books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) REPORT TO CONGRESS.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendations for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SEC. 06. REDUCTION OF GAMBLING ON COLLEGE CAMPUSES.

(a) COLLEGE PROGRAMS TO REDUCE ILLEGAL GAMBLING.—

(1) COMPREHENSIVE PROGRAM.—Each institution of higher education (as defined in section 101 of the Higher Education Act (20 U.S.C. 1001)) shall designate 1 or more full-time senior officers of the institution to coordinate the implementation of a comprehensive program, as determined by the Secretary of Education, to reduce illegal gambling and gambling control disorders by students and employees of the institution.

(2) ANNUAL REPORTING.—An institution described in paragraph (1) shall annually prepare and submit to the Secretary of Education a report, in a form and manner prescribed by the Secretary, concerning the progress made by the institution to reduce illegal gambling by students and employees of the institution.

(3) CONTINUED ELIGIBILITY.—An institution described in paragraph (1) shall make reasonable further progress (as defined by the Secretary of Education) toward the elimination of illegal gambling at the institution as a condition of the institution remaining eligible for assistance and participation in other

programs authorized under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(b) GAMBLING ENFORCEMENT INFORMATION AND POLICIES.—

(1) IN GENERAL.—Each institution described in subsection (a)(1) shall include—

(A) statistics and other information on illegal gambling, including gambling over the Internet, in addition to the other criminal offense on which such institution must report pursuant to section 485(f) of the Higher Education Act of 1965 (20 U.S.C. 1092(f)) in the form and manner so prescribed; and

(B) a statement of policy regarding underage and other illegal gambling activity at the institution, in the form and manner prescribed for statements of policy on alcoholic beverages and illegal drugs pursuant to such section 485(f), including a description of any gambling abuse education programs available to students and employees of the institution.

(2) REVIEW OF PROCEDURES.—Notwithstanding paragraph (2) of section 485(f) of the Higher Education Act of 1965 (20 U.S.C. 1092(f)), the Attorney General, in consultation with the Secretary of Education, shall periodically review the policies, procedures, and practices of institutions described in subsection (a)(1) with respect to campus crimes and security related directly or indirectly to illegal gambling, including the integrity of the athletic contests in which students of the institution participate.

(c) ZERO TOLERANCE OF ILLEGAL GAMBLING.—

(1) REVOCATION OF AID.—A recipient of athletically related student aid (as defined in section 485(e)(8) of the Higher Education Act of 1965 (20 U.S.C. 1092(e)(8)) shall cease to be eligible for such aid upon a determination by either the institution of higher education providing such aid, or the applicable amateur sports organization, that the recipient has engaged in illegal gambling activity, including sports bribery, in violation of the policies or by-laws of the institution or organization.

(2) REPORT.—An institution of higher education that provides athletically related student aid, and an amateur sports organization that sanctions a competitive game or performance in which 1 or more competitors receives such aid, shall annually report to the Attorney General and the Secretary of Education on actions taken to implement this subsection.

SEC. 07. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) illegal sports gambling poses a significant threat to youth on college campuses and in society in general;

(2) State and local governments, the National Collegiate Athletic Association, and other youth, school, and collegiate organizations should provide educational and prevention programs to help youth recognize the dangers of illegal sports gambling and the serious consequences it can have;

(3) such programs should include public service announcements, especially during tournament and bowl game coverage;

(4) the National Collegiate Athletic Association and other amateur sports government bodies should adopt mandatory codes of conduct regarding the avoidance and prevention of illegal sports gambling among our youth; and

(5) the National Collegiate Athletic Association should enlist universities in the United States to develop scientific research on youth sports gambling, and related matters.

SA 577. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Strike all after the first word and insert the following:

SECTION 1. ESEA.

The provisions of the Jeffords amendment No. 358 (107th Congress) are incorporated into this Act and enacted into law.

SEC. 2. BROADCAST OF SPORTS GAMBLING EDUCATION INFORMATION.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Federal Communications Commission shall issue a final rule requiring broadcasters within its jurisdiction to include in any broadcast of a game or performance 1 or more public service announcements on the illegal nature of sports gambling in most States, including over the Internet, in such form and manner as the Commission deems appropriate and sufficient to be certain this information is effectively conveyed to the public as part of the public interest obligation of the broadcaster.

(b) TELEPHONE NUMBERS.—Each public service announcement under subsection (a) shall include the display of 1 or more toll-free telephone lines administered by a nonprofit organization to assist persons with a sports wagering problem or other compulsive gambling disorder.

SA 578. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Strike all after the first word and insert the following:

SEC. 1. ESEA.

The provisions of the Jeffords amendment No. 358 (107th Congress) are incorporated into this Act and enacted into law.

SECTION 2. BROADCAST OF SPORTS GAMBLING EDUCATION INFORMATION.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Federal Communications Commission shall issue a final rule requiring broadcasters within its jurisdiction to include in any broadcast of a game or performance 1 or more public service announcements on the illegal nature of sports gambling in most States, including over the Internet, in such form and manner as the Commission deems appropriate and sufficient to be certain this information is effectively conveyed to the public as part of the public interest obligation of the broadcaster.

(b) TELEPHONE NUMBERS.—Each public service announcement under subsection (a) shall include the display of 1 or more toll-free telephone lines administered by a nonprofit organization to assist persons with a sports wagering problem or other compulsive gambling disorder.

SA 579. Mr. ENSIGN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. ESEA.

The provisions of the Jeffords amendment No. 358 (107th Congress) are incorporated into this Act and enacted into law.

TITLE —NATIONAL COLLEGIATE AND AMATEUR ATHLETIC PROTECTION ACT OF 2001

SEC. 01. SHORT TITLE.

This title may be cited as the ''National Collegiate and Amateur Athletic Protection Act of 2001''.

SEC. 02. TASK FORCE ON ILLEGAL WAGERING ON AMATEUR AND COLLEGIATE SPORTING EVENTS.

(a) ESTABLISHMENT.—The Attorney General shall establish a prosecutorial task force on illegal wagering on amateur and collegiate sporting events (referred to in this section as the ''task force'').

(b) DUTIES.—The task force shall—

(1) coordinate enforcement of Federal laws that prohibit gambling relating to amateur and collegiate athletic events; and

(2) submit annually, to the House of Representatives and the Senate a report describing specific violations of such laws, prosecutions commenced, and convictions obtained.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $4,000,000 in fiscal year 2002 and $6,000,000 in each of the fiscal years 2003 through 2006.

SEC. 03. INCREASED PENALTIES FOR ILLEGAL SPORTS GAMBLING.

(a) INTERSTATE TRANSMISSION OF BETS OR INFORMATION ASSISTING IN PLACING BETS ON SPORTING EVENTS.—Section 1084(a) of title 18, United States Code, is amended by striking ''two'' and inserting ''5''.

(b) INTERSTATE TRANSPORTATION OF WAGERING PARAPHERNALIA.—Section 1953(a) of title 18, United States Code, is amended by adding at the end the following: ''If the matter carried or sent in interstate or foreign commerce was intended by the defendant to be used to assist in the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

(c) ILLEGAL GAMBLING BUSINESS.—Section 1955(a) of title 18, United States Code, is amended by adding at the end the following: ''If the gambling business included the placing of bets or wagers on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

(d) INTERSTATE TRAVEL TO PROMOTE AND CONDUCT AN ILLEGAL GAMBLING BUSINESS.—Section 1952 of title 18, United States Code, is amended by adding at the end the following:

''(d) If the offense violated paragraph (1) or (3) of subsection (a) and the illegal activity included the placing of bets or wagers on any sporting even or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

(e) SPORTS BRIBERY.—Section 224(a) of title 18, United States Code, is amended by adding at the end the following: ''If the purpose of the bribery is to affect the outcome of a bet or wager placed on any sporting event or contest, the maximum term of imprisonment for the offense shall be 10 years.''.

SEC. 04. STUDY ON ILLEGAL SPORTS GAMBLING BEHAVIOR AMONG MINORS.

(a) IN GENERAL.—The Director of the National Institute of Justice shall conduct a study to determine the extent to which minors persons participate in illegal sports gambling activities.

(b) REPORT.—Not later than 2 years after the date of enactment of this title, the Director of the National Institute of Justice

shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report—

(1) describing the extent to which minor persons participate in illegal sports gambling activities; and

(2) making recommendations on actions that should be taken to curtail participation by minor persons in sports gambling activities.

SEC. 05. STUDY OF GAMBLING ON COLLEGE AND UNIVERSITY CAMPUSES.

(a) ESTABLISHMENT OF PANEL.—Not later than 90 days after the date of enactment of this title, the Attorney General shall establish a panel, which shall be composed of Federal, State, and local government law enforcement officials, to conduct a study of illegal college sports gambling.

(b) CONTENTS OF STUDY.—The study conducted by the panel established under subsection (a) shall include an analysis of—

(1) the scope and prevalence of illegal college sports gambling, including unlawful sports gambling (as defined in section 3702 of title 28, United States Code);

(2) the role of organized crime in illegal gambling on college sports;

(3) the role of State regulators and the legal sports books in Nevada in assisting law enforcement to uncover illegal sports gambling and related illegal activities;

(4) the enforcement and implementation of the Professional and Amateur Sports Protection Act of 1992, including whether it has been adequately enforced;

(5) the effectiveness of steps taken by institutions of higher education to date, whether individually or through national organizations, to reduce the problem of illegal gambling on college sports;

(6) the factors that influence the attitudes or levels of awareness of administrators, professors, and students, including student athletes, about illegal gambling on college sports;

(7) the effectiveness of new countermeasures to reduce illegal gambling on college sports, including related requirements for institutions of higher education and persons receiving Federal education funds;

(8) potential actions that could be taken by the National Collegiate Athletic Association to address illegal gambling on college and university campuses; and

(9) other matters relevant to the issue of illegal gambling on college sports as determined by the Attorney General.

(c) REPORT TO CONGRESS.—Not later than 12 months after the establishment of the panel under this section, the Attorney General shall submit to Congress a report on the study conducted under this section, which shall include—

(1) recommendation for actions colleges, universities, and the National Collegiate Athletic Association should implement to address the issue of illegal gambling on college sports;

(2) recommendations for intensive educational campaigns which the National Collegiate Athletic Association could implement to assist in the effort to prevent illegal gambling on college sports;

(3) recommendations for any Federal and State legislative actions to address the issue of illegal gambling on college sports; and

(4) recommendations for any administrative or private sector actions to address the issue of illegal gambling on college sports.

SEC. 06. REDUCTION OF GAMBLING ON COLLEGE CAMPUSES.

(a) COLLEGE PROGRAMS TO REDUCE ILLEGAL GAMBLING.—

(1) COMPREHENSIVE PROGRAM.—Each institution of higher education (as defined in section 101 of the Higher Education Act (20 U.S.C. 1001)) shall designate 1 or more full-time senior officers of the institution to coordinate the implementation of comprehensive program, as determined by the Secretary of Education, to reduce illegal gambling and gambling control disorders by students and employees of the institution.

(2) ANNUAL REPORTING.—An institution described in paragraph (1) shall annually prepare and submit to the Secretary of Education a report, in a form and manner prescribed by the Secretary, concerning the progress made by the institution to reduce illegal gambling by students and employees of the institution.

(3) CONTINUED ELIGIBILITY.—An institution described in paragraph (1) shall make reasonable further progress (as defined by the Secretary of Education) toward the elimination of illegal gambling at the institution as a condition of the institution remaining eligible for assistance and participation in other programs authorized under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(b) GAMBLING ENFORCEMENT INFORMATION AND POLICIES.—

(1) IN GENERAL.—Each institution described in subsection (a)(1) shall include—

(A) statistics and other information on illegal gambling, including gambling over the Internet, in addition to the other criminal offense on which such institution must report pursuant to section 485(f) of the Higher Education Act of 1965 (20 U.S.C. 1092(f)) in the form and manner so prescribed; and

(B) a statement of policy regarding underage and other illegal gambling activity at the institution, in the form and manner prescribed for statements of policy on alcoholic beverages and illegal drugs pursuant to such section 485(f), including a description of any gambling abuse education programs available to students and employees of the institution.

(2) REVIEW OF PROCEDURES.—Notwithstanding paragraph (2) of section 485(f) of the Higher Education Act of 1965 (20 U.S.C. 1092(f)), the Attorney General, in consultation with the Secretary of Education, shall periodically review the policies, procedures, and practices of institutions described in subsection (a)(1) with respect to campus crimes and security related directly or indirectly to illegal gambling, including the integrity of the athletic contests in which students of the institution participate.

(c) ZERO TOLERANCE OF ILLEGAL GAMBLING.—

(1) REVOCATION OF AID.—A recipient of athletically related student aid (as defined in section 485(e)(8) of the Higher Education Act of 1965 (20 U.S.C. 1092(e)(8)) shall cease to be eligible for such aid upon a determination by either the institution of higher education providing such aid, or the applicable amateur sports organization, that the recipient has engaged in illegal gambling activity, including sports bribery, in violation of the policies or by-laws of the institution or organization.

(2) REPORT.—An institution of higher education that provides athletically related student aid, and an amateur sports organization that sanctions a competitive game or performance in which 1 or more competitors receives such aid, shall annually report to the Attorney General and the Secretary of Education on actions taken to implement this subsection.

SEC. 07. SENSE OF CONGRESS.

It is the sense of Congress that—

(1) illegal sports gambling poses a significant threat to youth on college campuses and in society in general;

(2) State and local governments, the National Collegiate Athletic Association, and other youth, school, and collegiate organizations should provide educational and prevention programs to help youth recognize the dangers of illegal sports gambling and the serious consequences it can have;

(3) such programs should include public service announcements, especially during tournament and bowl game coverage;

(4) the National Collegiate Athletic Association and other amateur sports governing bodies should adopt mandatory codes of conduct regarding the avoidance and prevention of illegal sports gambling among our youth; and

(5) the National Collegiate Athletic Association should enlist universities in the United States to develop scientific research on youth sports gambling, and related matters.

SA 580. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 30B. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions of the taxpayer for the taxable year.

''(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed $250 ($500, in the case of a joint return).

''(c) QUALIFIED CHARITABLE CONTRIBUTION.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified charitable contribution' means, with respect to any taxable year, the amount allowable as a deduction under section 170 (determined without regard to subsection (d)(1)) for cash contributions to a school tuition organization.

''(2) SCHOOL TUITION ORGANIZATION.—

''(A) IN GENERAL.—The term 'school tuition organization' means any organization described in section 170(c)(2) if the annual disbursements of the organization for elementary and secondary school scholarships are normally not less than 90 percent of the sum of such organization's annual gross income and contributions and gifts.

''(B) ELEMENTARY AND SECONDARY SCHOOL SCHOLARSHIP.—The term 'elementary and secondary school scholarship' means any scholarship excludable from gross income under section 117 for expenses related to education at or below the 12th grade.

''(d) SPECIAL RULES.—

''(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

''(2) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

''(B) the tentative minimum tax for the taxable year.

''(3) CONTROLLED GROUPS.—All persons who are treated as one employer under subsection (a) or (b) of section 52 shall be treated as 1 taxpayer for purposes of this section.

''(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 30B. Credit for contributions to charitable organizations which provide scholarships for students attending elementary and secondary schools.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 581. Mr. KYL submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 30B. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions of the taxpayer for the taxable year.

''(b) MAXIMUM CREDIT.—The credit allowed by subsection (a) for any taxable year shall not exceed $250 ($500, in the case of a joint return).

''(c) QUALIFIED CHARITABLE CONTRIBUTION.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified charitable contribution' means, with respect to any taxable year, the amount allowable as a deduction under section 170 (determined without regard to subsection (d)(1)) for cash contributions to a school tuition organization.

''(2) SCHOOL TUITION ORGANIZATION.—

''(A) IN GENERAL.—The term 'school tuition organization' means any organization described in section 170(c)(2) if the annual disbursements of the organization for elementary and secondary school scholarships are normally not less than 90 percent of the sum of such organization's annual gross income and contributions and gifts.

''(B) ELEMENTARY AND SECONDARY SCHOOL SCHOLARSHIP.—The term 'elementary and secondary school scholarship' means any scholarship excludable from gross income under section 117 for expenses related to education at or below the 12th grade.

''(d) SPECIAL RULES.—

''(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

''(2) APPLICATION WITH OTHER CREDITS.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

''(B) the tentative minimum tax for the taxable year.

''(3) CONTROLLED GROUPS.—All persons who are treated as one employer under subsection (a) or (b) of section 52 shall be treated as 1 taxpayer for purposes of this section.

''(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect to have this section not apply for any taxable year.''.

(b) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 30B. Credit for contributions to charitable organizations which provide scholarships for students attending elementary and secondary schools.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SA 582. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 457 submitted by Mr. DODD and intended to be proposed to the bill (S. 1) to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

In lieu of the matter proposed, insert the following:

SEC. ___. GUIDELINES FOR STUDENT PRIVACY.

(a) DEVELOPMENT OF STUDENT PRIVACY GUIDELINES.—A State or local educational agency that receives funds under this Act shall develop and adopt guidelines regarding arrangements to protect student privacy that are entered into by the agency with public and private entities that are not schools.

(b) NOTIFICATION OF PARENTS OF PRIVACY GUIDELINES.—The guidelines developed by an educational agency under subsection (a) shall provide for a reasonable notice of the adoption of such guidelines to be given, by the agency or a school under the agency's supervision, to the parents and guardians of students under the jurisdiction of such agency or school. Such notice shall be provided at least annually and within a reasonable period of time after any change in such guidelines.

(c) EXCEPTIONS.—This section shall not apply to the development, evaluation, or provision of educational products or services for or to students or educational institutions, such as the following:

(1) College or other post-secondary education recruitment or for military recruiting purposes.

(2) Book clubs, magazines, and programs providing access to other literary products.

(3) Curriculum and instructional materials used by elementary and secondary schools to teach.

(4) The development and administration of tests and assessments used by elementary and secondary schools to provide cognitive, evaluative, diagnostic, clinical, aptitude, or achievement information about students (or to generate other statistically useful data for the purpose of securing such tests and assessments) and the subsequent analysis and public release of aggregate data.

(5) The sale by students of products or services to raise funds for school- or education-related activities.

(6) Student recognition programs.

(d) INFORMATION ACTIVITIES BY THE SECRETARY.—Once each year, the Secretary shall inform each State educational agency and each local educational agency of the educational agency's obligations under section 438 of the General Education Provisions Act (added by the Family Educational Rights and Privacy Act of 1974; 20 U.S.C. 1232g) and the Children's Online Privacy Protection Act of 1998 (15 U.S.C. 6501 et seq.).

(e) DEFINITIONS.—In this section, the terms ''elementary school'', ''local educational agency'', ''secondary school'', ''Secretary'', and ''State educational agency'' have the meanings given those terms in section 3 of the Elementary and Secondary Education Act of 1965.

SA 583. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. IMPACT AID TECHNICAL AMENDMENTS.

(a) FEDERAL PROPERTY PAYMENTS.—Section 8002(h) (20 U.S.C. 7702(h)) (as amended by section 1803(c) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''and was eligible to receive a payment under section 2 of the Act of September 30, 1950'' and inserting ''and that filed, or has been determined pursuant to law to have filed, a timely application and met, or has been determined pursuant to law to meet, the eligibility requirements of section 2(a)(1)(C) of the Act of September 30, 1950''; and

(B) in subparagraph (B), by striking ''(or if the local educational agency was not eligible to receive a payment under such section 2 for fiscal year 1994,'' and inserting ''(or if the local educational agency did not meet, or has not been determined pursuant to law to meet, the eligibility requirements under section 2(a)(1)(C) of the Act Of September 20, 1950, for fiscal year 1994,''.

(2) in paragraph (2)—

(A) in subparagraph (A), by inserting before the period the following: '', or whose application for fiscal year 1995 was deemed by law to be timely filed for the purpose of payments for later years''; and

(B) in subparagraph (B)(ii), by striking ''for each local educational agency that received

a payment under this section for fiscal year 1995'' and inserting ''for each local educational agency described in subparagraph (A)''; and

(3) in paragraph (4)(B)—

(A) by striking ''(in the same manner as percentage shares are determined for local educational agencies under paragraph (2)(B)(ii)'' and inserting ''(by dividing the maximum amount that the agency is eligible to receive under subsection (b) by the total of the maximum amounts for all such agencies''; and

(B) by striking '', except that for the purpose of calculating a local educational agency's assessed value of the Federal property,'' and inserting '', except that, for the purpose of calculating a local educational agency's maximum amount under subsection (b),''.

(b) CALCULATION OF PAYMENT UNDER SECTION 8003 FOR SMALL LOCAL EDUCATIONAL AGENCIES.—Section 8003(b)(3)(B)(iv) (20 U.S.C. 7703(b)(3)(B)(iv)) (as amended by section 1806(b)(2)(C) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended by inserting after ''of the State in which the agency is located'' the following: ''or less than the average per pupil expenditure of all the States''.

(c) STATE CONSIDERATION OF PAYMENTS IN PROVIDING STATE AID.—Section 8009(b)(1) (20 U.S.C. 7709 (b)(1)) (as amended by section 1812(b)(1) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended by inserting after ''section 8003(a)(2)(B))'' the following: ''and, with respect to a local educational agency that receives a payment under section 8003(b)(2), the amount in excess of the amount that the agency would receive if the agency were deemed to be an agency eligible to receive a payment under paragraph (1) of section 8003(b)''.

(d) EXTENSION OF AUTHORIZATION OF APPROPRIATIONS.—Section 8014 (20 U.S.C. 7714) (as amended by section 1817(b)(1) of the Impact Aid Reauthorization Act of 2000 (as enacted into law by section 1 of Public Law 106-398)) is amended—

(1) in subsection (a), by striking ''three succeeding'' and inserting ''six succeeding'''';

(2) in subsection (b), by striking ''three succeeding'' and inserting ''"six succeeding'';

(3) in subsection (c), by striking ''three succeeding'' and inserting ''six succeeding'';

(4) in subsection (e), by striking ''three succeeding'' and inserting ''six succeeding'';

(5) in subsection (f), by striking ''three succeeding'' and inserting ''six succeeding''; and

(6) in subsection (g), by striking ''three succeeding'' and inserting ''six succeeding''.

SA 584. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

Subtitle ____—Environmental Education

SEC. 9___1. SHORT TITLE.

(a) THIS SUBTITLE.—This subtitle may be cited as the ''John H. Chafee Environmental Education Act of 2001''.

(b) NATIONAL ENVIRONMENTAL EDUCATION ACT.—Section 1(a) of the National Environmental Education Act (20 U.S.C. 5501 note) is amended by striking ''National Environmental Education Act'' and inserting ''John H. Chafee Environmental Education Act''.

SEC. 9___2. OFFICE OF ENVIRONMENTAL EDUCATION.

Section 4 of the John H. Chafee Environmental Education Act (20 U.S.C. 5503) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by inserting ''objective and scientifically sound'' after ''support'';

(B) by striking paragraph (6);

(C) by redesignating paragraphs (7) through (13) as paragraphs (6) through (12), respectively; and

(D) in paragraph (12) (as so redesignated), by inserting before the period at the end the following: ''through the headquarters and the regional offices of the Agency''; and

(2) by striking subsection (c) and inserting the following:

''(c) STAFF.—The Office of Environmental Education shall—

''(1) include a headquarters staff of not more than 10 full-time equivalent employees; and

''(2) be supported by 1 full-time equivalent employee in each regional office of the Agency.

''(d) ACTIVITIES.—The Administrator may carry out the activities described in subsection (b) directly or through awards of grants, cooperative agreements, or contracts.''.

SEC. 9___3. ENVIRONMENTAL EDUCATION GRANTS.

Section 6 of the John H. Chafee Environmental Education Act (20 U.S.C. 5505) is amended—

(1) in the second sentence of subsection (i), by striking ''25 percent'' and inserting ''15 percent''; and

(2) by adding at the end the following:

''(j) LOBBYING ACTIVITIES.—A grant under this section may not be used to support a lobbying activity (as described in the documents issued by the Office of Management and Budget and designated as OMB Circulars No. A–21 and No. A–122).

''(k) GUIDANCE REVIEW.—Before the Administrator issues any guidance to grant applicants, the guidance shall be reviewed and approved by the Science Advisory Board of the Agency established by section 8 of the Environmental Research, Development, and Demonstration Authorization Act of 1978 (42 U.S.C. 4365).''.

SEC. 9___4. JOHN H. CHAFEE MEMORIAL FELLOWSHIP PROGRAM.

(a) IN GENERAL.—Section 7 of the John H. Chafee Environmental Education Act (20 U.S.C. 5506) is amended to read as follows:

''SEC. 7. JOHN H. CHAFEE MEMORIAL FELLOWSHIP PROGRAM.

''(a) ESTABLISHMENT.—There is established the John H. Chafee Memorial Fellowship Program for the award and administration of 5 annual 1-year higher education fellowships in environmental sciences and public policy, to be known as 'John H. Chafee Fellowships'.

''(b) PURPOSE.—The purpose of the John H. Chafee Memorial Fellowship Program is to stimulate innovative graduate level study and the development of expertise in complex, relevant, and important environmental issues and effective approaches to addressing those issues through organized programs of guided independent study and environmental research.

''(c) AWARD.—Each John H. Chafee Fellowship shall—

''(1) be made available to individual candidates through a sponsoring institution and in accordance with an annual competitive selection process established under subsection (f)(3); and

''(2) be in the amount of $25,000.

''(d) FOCUS.—Each John H. Chafee Fellowship shall focus on an environmental, natural resource, or public health protection issue that a sponsoring institution determines to be appropriate.

''(e) SPONSORING INSTITUTIONS.—The John H. Chafee Fellowships may be applied for through any sponsoring institution.

''(f) PANEL.—

''(1) IN GENERAL.—The National Environmental Education Advisory Council established by section 9(a) shall administer the John H. Chafee Fellowship Panel.

''(2) MEMBERSHIP.—The Panel shall consist of 5 members, appointed by a majority vote of members of the National Environmental Education Advisory Council, of whom—

''(A) 2 members shall be professional educators in higher education;

''(B) 2 members shall be environmental scientists; and

''(C) 1 member shall be a public environmental policy analyst.

''(3) DUTIES.—The Panel shall—

''(A) establish criteria for a competitive selection process for recipients of John H. Chafee Fellowships;

''(B) receive applications for John H. Chafee Fellowships; and

''(C) annually review applications and select recipients of John H. Chafee Fellowships.

''(g) DISTRIBUTION OF FUNDS.—The amount of each John H. Chafee Fellowship shall be provided directly to each recipient selected by the Panel upon receipt of a certification from the recipient that the recipient will adhere to a specific and detailed plan of study and research.

''(h) FUNDING.—From amounts made available under section 13(b)(1)(C) for each fiscal year, the Office of Environmental Education shall make available—

''(1) $125,000 for John H. Chafee Memorial Fellowships; and

''(2) $12,500 to pay administrative expenses incurred in carrying out the John H. Chafee Memorial Fellowship Program.''.

(b) DEFINITIONS.—Section 3 of the John H. Chafee Environmental Education Act (20 U.S.C. 5502) is amended—

(1) in paragraph (12), by striking ''and'' at the end;

(2) in paragraph (13), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(14) 'Panel' means the John H. Chafee Fellowship Panel established under section 7(f);

''(15) 'sponsoring institution' means an institution of higher education;''.

(c) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the John H. Chafee Environmental Education Act (20 U.S.C. prec. 5501) is amended by striking the item relating to section 7 and inserting the following:

''Sec. 7. John H. Chafee Memorial Fellowship Program.''.

SEC. 9___5. NATIONAL ENVIRONMENTAL EDUCATION AWARDS.

(a) IN GENERAL.—Section 8 of the John H. Chafee Environmental Education Act (20 U.S.C. 5507) is amended to read as follows:

''SEC. 8. NATIONAL ENVIRONMENTAL EDUCATION AWARDS.

''(a) PRESIDENT'S ENVIRONMENTAL YOUTH AWARDS.—The Administrator may establish a program for the granting and administration of awards, to be known as 'President's Environmental Youth Awards', to young people in grades kindergarten through 12 to recognize outstanding projects to promote local environmental awareness.

''(b) TEACHERS' AWARDS.—

''(1) IN GENERAL.—The Chairman of the Council on Environmental Quality, on behalf of the President, may establish a program for the granting and administration of awards to recognize—

''(A) teachers in elementary schools and secondary schools who demonstrate excellence in advancing objective and scientifically sound environmental education through innovative approaches; and

''(B) the local educational agencies of the recognized teachers.

''(2) ELIGIBILITY.—One teacher, and the local education agency employing the teacher, from each State, the District of Columbia, and the Commonwealth of Puerto Rico, shall be eligible to be selected for an award under this subsection.''.

(b) DEFINITIONS.—Section 3 of the John H. Chafee Environmental Education Act (20 U.S.C. 5502) (as amended by section 9___4(b)) is amended by adding at the end the following:

''(16) 'elementary school' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);

''(17) 'secondary school' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801);''.

(c) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the John H. Chafee Environmental Education Act (20 U.S.C. prec. 5501) is amended by striking the item relating to section 8 and inserting the following:

''Sec. 8. National environmental education awards.''.

SEC. 9___6. ENVIRONMENTAL EDUCATION ADVISORY COUNCIL AND TASK FORCE.

Section 9 of the John H. Chafee Environmental Education Act (20 U.S.C. 5508) is amended—

(1) in subsection (b)(2)—

(A) by striking ''(2) The'' and all that follows through the end of the second sentence and inserting the following:

''(2) MEMBERSHIP.—

''(A) IN GENERAL.—The Advisory Council shall consist of not more than 11 members appointed by the Administrator after consultation with the Secretary.

''(B) REPRESENTATIVES OF SECTORS.—To the maximum extent practicable, the Administrator shall appoint to the Advisory Council at least 2 members to represent each of—

''(i) elementary schools and secondary schools;

''(ii) colleges and universities;

''(iii) not-for-profit organizations involved in environmental education;

''(iv) State departments of education and natural resources; and

''(v) business and industry.'';

(B) in the third sentence, by striking ''A representative'' and inserting the following:

''(C) REPRESENTATIVE OF THE SECRETARY.—A representative''; and

(C) in the last sentence, by striking ''The conflict'' and inserting the following:

''(D) CONFLICTS OF INTEREST.—The conflict'';

(2) in subsection (c), by striking paragraph (2) and inserting the following:

''(2) MEMBERSHIP.—Membership on the Task Force shall be open to representatives of any Federal agency actively engaged in environmental education.''; and

(3) in subsection (d), by striking ''(d)(1)'' and all that follows through ''(2) The'' and inserting the following:

''(d) MEETINGS AND REPORTS.—

''(1) IN GENERAL.—The Advisory Council shall—

''(A) hold biennial meetings on timely issues regarding environmental education; and

''(B) issue a report describing the proceedings of each meeting and recommendations resulting from the meeting.

''(2) REVIEW AND COMMENT ON DRAFT REPORTS.—The''.

SEC. 9___7. NATIONAL ENVIRONMENTAL LEARNING FOUNDATION.

(a) CHANGE IN NAME.—

(1) IN GENERAL.—Section 10 of the John H. Chafee Environmental Education Act (20 U.S.C. 5509) is amended—

(A) by striking the section heading and inserting the following:

''SEC. 10. NATIONAL ENVIRONMENTAL LEARNING FOUNDATION.'';

and

(B) in the first sentence of subsection (a)(1)(A), by striking ''National Environmental Education and Training Foundation'' and inserting ''National Environmental Learning Foundation''.

(2) CONFORMING AMENDMENTS.—

(A) The table of contents in section 1(b) of the John H. Chafee Environmental Education Act (20 U.S.C. prec. 5501) is amended by striking the item relating to section 10 and inserting the following:

''Sec. 10. National Environmental Learning Foundation.''.

(B) Section 3 of the John H. Chafee Environmental Education Act (20 U.S.C. 5502) (as amended by section 9___4(b)) is amended—

(i) by striking paragraph (12) and inserting the following:

''(12) 'Foundation' means the National Environmental Learning Foundation established by section 10;''; and

(ii) in paragraph (13), by striking ''National Environmental Education and Training Foundation'' and inserting ''Foundation''.

(b) NUMBER OF DIRECTORS.—Section 10(b)(1)(A) of the John H. Chafee Environmental Education Act (20 U.S.C. 5509(b)(1)(A)) is amended in the first sentence by striking ''13'' and inserting ''19''.

(c) ACKNOWLEDGMENT OF DONORS.—Section 10(d) of the John H. Chafee Environmental Education Act (20 U.S.C. 5509(d)) is amended by striking paragraph (3) and inserting the following:

''(3) ACKNOWLEDGMENT OF DONORS.—The Foundation may acknowledge receipt of donations by means of a listing of the names of donors in materials distributed by the Foundation, except that any such acknowledgment—

''(A) shall not appear in educational material presented to students; and

''(B) shall not identify a donor by means of a logo, letterhead, or other corporate commercial symbol, slogan, or product.''.

(d) ADMINISTRATIVE SERVICES AND SUPPORT.—Section 10(e) of the John H. Chafee Environmental Education Act (20 U.S.C. 5509(e)) is amended in the first sentence by striking ''for a period of up to 4 years from the date of enactment of this Act,''.

SEC. 9___8. THEODORE ROOSEVELT ENVIRONMENTAL STEWARDSHIP GRANT PROGRAM.

(a) IN GENERAL.—The John H. Chafee Environmental Education Act is amended—

(1) by redesignating section 11 (20 U.S.C. 5510) as section 13; and

(2) by inserting after section 10 the following:

''SEC. 11. ENVIRONMENTAL STEWARDSHIP GRANT PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established a grant program to be known as the 'Environmental Stewardship Grant Program' (referred to in this section as the 'Program') for the award and administration of grants to consortia of institutions of higher education to pay the Federal share of the cost of carrying out collaborative student, campus, and community-based environmental stewardship activities.

''(2) FEDERAL SHARE.—The Federal share shall be 75 percent.

''(b) PURPOSE.—The purpose of the Program is to build awareness of, encourage commitment to, and promote participation in environmental stewardship—

''(1) among students at institutions of higher education; and

''(2) in the relationship between—

''(A) such students and campuses; and

''(B) the communities in which the students and campuses are located.

''(c) AWARD.—Grants under the Program shall be made available to consortia of institutions of higher education in accordance with an annual competitive selection process established under subsection (d)(2)(A).

''(d) ADMINISTRATION.—

''(1) IN GENERAL.—The Office of Environmental Education established under section 4 shall administer the Program.

''(2) DUTIES.—The Office of Environmental Education shall—

''(A) establish criteria for a competitive selection process for recipients of grants under the Program;

''(B) receive applications for grants under the Program; and

''(C) annually review applications and select recipients of grants under the Program.

''(3) CRITERIA.—In establishing criteria for a competitive selection process for recipients of grants under the Program, the Office of Environmental Education shall include, at a minimum, as criteria, the extent to which a grant will—

''(A) directly facilitate environmental stewardship activities, including environmental protection, preservation, or improvement activities; and

''(B) stimulate the availability of other funds for those activities.

''(e) CONDITIONS ON USE OF FUNDS.—With respect to the funds made available to carry out this section under section 13(a)(1)—

''(1) not fewer than 6 grants each year shall be awarded using those funds; and

''(2) no grant made using those funds shall be in an amount that exceeds $500,000.''.

(b) DEFINITIONS.—Section 3 of the John H. Chafee Environmental Education Act (20 U.S.C. 5502) (as amended by section 9___5(b)) is amended by adding at the end the following:

''(18) 'consortium of institutions of higher education' means a cooperative arrangement among 2 or more institutions of higher education; and

''(19) 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).''.

SEC. 9___9. INFORMATION STANDARDS.

(a) IN GENERAL.—The John H. Chafee Environmental Education Act is amended by inserting after section 11 (as added by section 9___8(a)(2)) the following:

''SEC. 12. INFORMATION STANDARDS.

''In disseminating information under this Act, the Office of Environmental Education shall comply with the guidelines issued by the Administrator under section 515 of the Treasury and General Government Appropriations Act, 2001 (44 U.S.C. 3516 note; 114 Stat. 2763A–153).''.

(b) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the John H. Chafee Environmental Education Act (20 U.S.C. prec. 5501) is amended by striking the item relating to section 11 and inserting the following:

''Sec. 11. Environmental Stewardship Grant Program.
''Sec. 12. Information standards.
''Sec. 13. Authorization of appropriations.''.

SEC. 9___0. AUTHORIZATION OF APPROPRIATIONS.

Section 13 of the John H. Chafee Environmental Education Act (20 U.S.C. 5510) (as redesignated by section 9___8(a)(1)) is amended—

(1) by redesignating subsection (c) as subsection (d);

(2) by striking the section heading and subsections (a) and (b) and inserting the following:

''SEC. 13. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There is authorized to be appropriated to the Environmental Protection Agency to carry out this Act $13,000,000 for each of fiscal years 2002 through 2007, of which—

''(1) $3,000,000 for each fiscal year shall be used to carry out section 11; and

''(2) $10,000,000 for each fiscal year shall be allocated in accordance with subsection (b).

''(b) LIMITATIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), of the amounts made available under subsection (a)(2) for each fiscal year—

''(A) not more than 25 percent may be used for the activities of the Office of Environmental Education established under section 4;

''(B) not more than 25 percent may be used for the operation of the environmental education and training program under section 5;

''(C) not less than 40 percent shall be used for environmental education grants under section 6 and for the John H. Chafee Memorial Fellowship Program under section 7; and

''(D) 10 percent shall be used for the activities of the Foundation under section 10.

''(2) ADMINISTRATIVE EXPENSES.—Of the amounts made available under paragraph (1)(A) for each fiscal year, not more than 10 percent may be used for administrative expenses of the Office of Environmental Education.

''(c) EXPENSE REPORT.—As soon as practicable after the end of each fiscal year, the Administrator shall submit to Congress a report describing in detail the activities for which funds appropriated for the fiscal year were expended.''; and

(3) in subsection (d) (as redesignated by paragraph (1))—

(A) by striking ''National Environmental Education and Training Foundation'' and inserting ''Foundation''; and

(B) in paragraph (2), by striking ''section 10(d) of this Act'' and inserting ''section 10(e)''.

SA 585. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 207, strike line 8 and all that follows through page 212, line 15, and insert the following:

''Subpart 3—Early Reading First

''SEC. 1241. PURPOSES.

''The purposes of this subpart are as follows:

''(1) To support local efforts to enhance the early language, literacy, and prereading development of preschool age children, particularly those from low-income families, through strategies and professional development that are based on scientifically based research.

''(2) To provide preschool age children with cognitive learning opportunities in high-quality language and literature-rich environments, so that the children can attain the fundamental knowledge and skills necessary for optimal reading development in kindergarten and beyond.

''(3) To demonstrate language and literacy activities based on scientifically based research that support the age-appropriate development of—

''(A) spoken language and oral comprehension abilities;

''(B) understanding that spoken language can be analyzed into discrete words, and awareness that words can be broken into sequences of syllables and phonemes;

''(C) automatic recognition of letters of the alphabet and understanding that letters or groups of letters systematically represent the component sounds of the language; and

''(D) knowledge of the purposes and conventions of print.

''(4) To integrate these learning opportunities with learning opportunities at preschools, child care agencies, and Head Start agencies, and with family literacy services.

''SEC. 1242. LOCAL EARLY READING FIRST GRANTS.

''(a) PROGRAM AUTHORIZED.—From amounts appropriated under section 1002(b)(3), the Secretary shall award grants, on a competitive basis, for periods of not more than 5 years, to eligible applicants to enable the eligible applicants to carry out the authorized activities described in subsection (e).

''(b) DEFINITION OF ELIGIBLE APPLICANT.—In this subpart the term 'eligible applicant' means—

''(1) one or more local educational agencies that are eligible to receive a subgrant under subpart 2;

''(2) one or more public or private organizations, acting on behalf of 1 or more programs that serve preschool age children (such as a program at a Head Start center, a child care program, or a family literacy program), which organizations shall be located in a community served by a local educational agency described in paragraph (1); or

''(3) one or more local educational agencies described in paragraph (1) in collaboration with one or more organizations described in paragraph (2).

''(c) APPLICATIONS.—An eligible applicant that desires to receive a grant under this section shall submit an application to the Secretary which shall include a description of—

''(1) the programs to be served by the proposed project, including demographic and socioeconomic information on the preschool age children enrolled in the programs;

''(2) how the proposed project will prepare and provide ongoing assistance to staff in the programs, through professional development and other support, to provide high-quality language, literacy and prereading activities using scientifically based research, for preschool age children;

''(3) how the proposed project will provide services and utilize materials that are based on scientifically based research on early language acquisition, prereading activities, and the development of spoken language skills;

''(4) how the proposed project will help staff in the programs to meet the diverse needs of preschool age children in the community better, including such children with limited English proficiency, disabilities, or other special needs;

''(5) how the proposed project will help preschool age children, particularly such children experiencing difficulty with spoken language, prereading, and literacy skills, to make the transition from preschool to formal classroom instruction in school;

''(6) if the eligible applicant has received a subgrant under subpart 2, how the activities conducted under this subpart will be coordinated with the eligible applicant's activities under subpart 2 at the kindergarten through third-grade level;

''(7) how the proposed project will evaluate the success of the activities supported under this subpart in enhancing the early language, literacy, and prereading development of preschool age children served by the project; and

''(8) such other information as the Secretary may require.

''(d) APPROVAL OF APPLICATIONS.—The Secretary shall select applicants for funding under this subpart on the basis of the quality of the applications, in consultation with the National Institute for Child Health and Human Development, the National Institute for Literacy, and the National Academy of Sciences. The Secretary shall select applications for approval under this subpart on the basis of a peer review process.

''(e) AUTHORIZED ACTIVITIES.—An eligible applicant that receives a grant under this subpart shall use the funds provided under the grant to carry out the following activities:

''(A) Providing preschool age children with high-quality oral language and literature-rich environments in which to acquire language and prereading skills.

''(B) Providing professional development that is based on scientifically based research knowledge of early language and reading development for the staff of the eligible applicant and that will assist in developing the preschool age children's—

''(i) spoken language (including vocabulary, the contextual use of speech, and syntax) and oral comprehension abilities;

''(ii) understanding that spoken language can be analyzed into discrete words, and awareness that words can be broken into sequences of syllables and phonemes;

''(iii) automatic recognition of letters of the alphabet and understanding that letters or groups of letters systematically represent the component sounds of the language; and

''(iv) knowledge of the purposes and conventions of print.

''(C) Identifying and providing activities and instructional materials that are based on scientifically based research for use in developing the skills and abilities described in subparagraph (B).

''(D) Acquiring, providing training for, and implementing screening tools or other appropriate measures that are based on scientifically based research to determine whether preschool age children are developing the skills described in this subsection.

''(E) Integrating such instructional materials, activities, tools, and measures into the programs offered by the eligible applicant.

''(f) AWARD AMOUNTS.—The Secretary may establish a maximum award amount, or ranges of award amounts, for grants under this subpart.

''SEC. 1243. FEDERAL ADMINISTRATION.

''The Secretary shall consult with the Secretary of Health and Human Services in

order to coordinate the activities undertaken under this subpart with preschool age programs administered by the Department of Health and Human Services.

"SEC. 1244. INFORMATION DISSEMINATION.

''From the funds the National Institute for Literacy receives under section 1227, the National Institute for Literacy, in consultation with the Secretary, shall disseminate information regarding projects assisted under this subpart that have proven effective.

"SEC. 1245. REPORTING REQUIREMENTS.

''Each eligible applicant receiving a grant under this subpart shall report annually to the Secretary regarding the eligible applicant's progress in addressing the purposes of this subpart. Such report shall include, at a minimum, a description of—

''(1) the activities, materials, tools, and measures used by the eligible applicant;

''(2) the professional development activities offered to the staff of the eligible applicant who serve preschool age children and the amount of such professional development; and

''(3) the results of the evaluation described in section 1242(c)(7).

"SEC. 1246. EVALUATIONS.

''From the total amount appropriated under section 1002(b)(3) for the period beginning October 1, 2002 and ending September 30, 2008, the Secretary shall reserve not more than $5,000,000 to conduct an independent evaluation of the effectiveness of this subpart.

"SEC. 1247. ADDITIONAL RESEARCH.

''From the amount appropriated under section 1002(b)(3) for each of the fiscal years 2002 through 2006, the Secretary shall reserve not more than $3,000,000 to conduct, in consultation with National Institute for Child Health and Human Development, the National Institute for Literacy, and the Department of Health and Human Services, additional research on language and literacy development for preschool age children.''.

SA 586. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 83, strike lines 3 through 9.

SA 587. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 774 strike line 1 and all that follows through page 778, line 21, and insert the following:

"PART B—IMPROVING ACADEMIC ACHIEVEMENT

"SEC. 6201. EDUCATION AWARDS.

''(a) ACHIEVEMENT IN EDUCATION AWARDS.—

''(1) IN GENERAL.—The Secretary may make awards, to be known as 'Achievement in Education Awards', using a peer review process, to the States that, beginning with the 2002–2003 school year, make the most progress in improving educational achievement.

''(2) CRITERIA.—

''(A) IN GENERAL.—The Secretary shall make the awards on the basis of criteria consisting of—

''(i) the progress of each of the categories of students described in section 1111(b)(2)(B)(v)(II)—

''(I) towards the goal of all such students reaching the proficient level of performance; and

''(II) beginning with the 2nd year for which data are available for all States, on State assessments under the National Assessment of Educational Progress of 4th and 8th grade reading and mathematics skills;

''(ii) the progress of all students in the State towards the goal of all students reaching the proficient level of performance, and (beginning with the 2nd year for which data are available for all States) the progress of all students on the assessments described in clause (i)(II);

''(iii) the progress of the State in improving the English proficiency of students who enter school with limited English proficiency;

''(iv) the progress of the State in increasing the percentage of students who graduate from secondary school; and

''(v) the progress of the State in increasing the percentage of students who take advanced coursework, such as advanced placement and international baccalaureate courses, and who pass advanced placement and international baccalaureate tests.

''(B) WEIGHT.—In applying the criteria described in subparagraph (A), the Secretary shall give the greatest weight to the criterion described in subparagraph (A)(i).

''(b) ASSESSMENT COMPLETION BONUSES.—The Secretary may make 1-time bonus payments to States that complete the development of assessments required by section 1111 in advance of the schedule specified in such section.

''(c) NO CHILD LEFT BEHIND AWARDS.—The Secretary may make awards, to be known as 'No Child Left Behind Awards' to the schools that—

''(1) are nominated by the States in which the schools are located; and

''(2) have made the greatest progress in improving the educational achievement of economically disadvantaged students.

''(d) FUND TO IMPROVE EDUCATION ACHIEVEMENT.—The Secretary may make awards for activities other than the activities described in subsections (a) through (c), such as character education, that are designed to promote the improvement of elementary and secondary education nationally.

"SEC. 6202. LOSS OF ADMINISTRATIVE FUNDS.

''(a) 2 YEARS OF INSUFFICIENT PROGRESS.—

''(1) REDUCTION.—If the Secretary makes the determinations described in paragraph (2) for 2 consecutive years, the Secretary shall reduce, by not more than 30 percent, the amount of funds that the State may reserve for the subsequent fiscal year for State administration under the programs authorized by this Act that the Secretary determines are formula grant programs.

''(2) DETERMINATIONS.—The determinations referred to in paragraph (1) are determinations, made primarily on the basis of data from the State assessment system described in section 1111 and data from State assessments under the National Assessment of Educational Progress of 4th and 8th grade reading and mathematics skills, that—

''(A) the State has failed to make adequate yearly progress as defined under section 1111(b)(2) (B) and (D) for all students and for each of the categories of students described in section 1111(b)(2)(B)(v)(II); and

''(B) beginning with the 2nd year for which data are available on State assessments under the National Assessment of Educational Progress of 4th and 8th grade reading and mathematics, the State has failed to demonstrate an increase in the achievement of each of the categories of students described in section 1111(b)(2)(B)(v)(II).

''(b) 3 OR MORE YEARS OF INSUFFICIENT PROGRESS.—If the Secretary makes the determinations described in subsection (a)(2) for a third or subsequent consecutive year, the Secretary shall reduce, by not more than 75 percent, the amount of funds that the State may reserve for the subsequent fiscal year for State administration under the programs authorized by this Act that the Secretary determines are formula grant programs.

"SEC. 6203. GRANTS FOR STATE ASSESSMENTS AND RELATED ACTIVITIES.

''(a) STATE GRANTS AUTHORIZED.—From amounts appropriated under subsection (c) the Secretary shall award grants to States to enable the States to pay the costs of—

''(1) developing assessments and standards required by amendments made to this Act by the Better Education for Students and Teachers Act;

''(2) working in voluntary partnerships with other States to develop such assessments and standards; and

''(3) other activities described in this part or related to ensuring accountability for results in the State's public elementary schools or secondary schools, and local educational agencies, such as—

''(A) developing content and performance standards, and aligned assessments, in subjects other than those assessments that were required by amendments made to section 1111 by the Better Education for Students and Teachers Act; and

''(B) administering the assessments required by amendments made to section 1111 by the Better Education for Students and Teachers Act.

''(b) ALLOCATIONS TO STATES.—

''(1) IN GENERAL.—From the amount appropriated to carry out this section for any fiscal year, the Secretary first shall allocate $3,000,000 to each State.

''(2) REMAINDER.—The Secretary shall allocate any remaining funds among the States on the basis of their respective numbers of children enrolled in grades 3 through 8 in public elementary schools and secondary schools.

''(3) DEFINITION OF STATE.—For the purpose of this subsection, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(c) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of carrying out this section, there are authorized to be appropriated $400,000,000 for fiscal year 2002, and such sums as may be necessary for each of the succeeding 6 fiscal years.

"SEC. 6204. AUTHORIZATION OF APPROPRIATIONS.

''(a) NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS.—For the purpose of administering the State assessments under the National Assessment of Educational Progress, there are authorized to be appropriated $110,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.

''(b) EDUCATION AWARDS.—For the purpose of carrying out section 6201, there are authorized to be appropriated $50,000,000 for fiscal year 2002, and such sums as may be necessary for each of the 6 succeeding fiscal years.''.

SA 588. Mr. JEFFORDS submitted an amendment intended to be proposed by

him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 74, strike line 24, and insert the following:

parents and teachers; and

''(14) make available to each school served by the agency and assisted under this part models of high quality, effective curriculum that are aligned with the State's standards and developed or identified by the State.''; and

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SA 589. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 83, line 25, strike ''section 1111(b)(2)(B)'' and insert ''sections 1111(b)(2)(B) and (D)''.

On page 84, line 4, insert '', principals, teachers, and other staff in an instructionally useful manner'' after ''schools''.

On page 84, line 25, strike ''section 1111(b)(2)(B)'' and insert ''sections 1111(b)(2)(B) and (D)''.

On page 88, line 6, strike ''meet'' and insert ''make continuous and significant progress towards meeting the goal of all students reaching''.

On page 90, line 5, insert ''(including problems, if any, in implementing the parental involvement requirements described in section 1118, the professional development requirements described in section 1119, and the responsibilities of the school and local educational agency under the school plan)'' after ''problems''.

On page 91, line 15, strike ''section 1111(b)(2)(B)'' and insert ''sections 1111(b)(2)(B) and (D)''.

On page 92, line 13, insert ''and giving priority to the lowest achieving students'' after ''basis''.

On page 95, line 9, strike ''section 1111(b)(2)(B)'' and insert ''sections 1111(b)(2)(B) and (D)''.

On page 95, beginning with line 13, strike all through page 96, line 6, and insert the following:

''(i)(I) provide all students enrolled in the school with the option to transfer to another public school within the local educational agency, including a public charter school, that has not been identified for school improvement under paragraph (1); and

''(II) if all public schools in the local educational agency to which children may transfer are identified under paragraph (1) or this paragraph, the agency shall, to the extent practicable, establish a cooperative agreement with other local educational agencies in the area for the transfer of as many of those children as possible, selected by the agency on an equitable basis;

''(ii) make supplemental educational services available, in accordance with subsection (f), to children who remain in the school;

On page 96, line 7, strike ''(ii)'' and insert ''(iii)''.

On page 96, line 21, strike ''(iii)'' and insert ''(iv)''.

On page 96, strike line 23 and all that follows through page 97, line 23.

On page 97, line 24, strike ''(E)'' and insert ''(D)''.

On page 98, line 7, strike ''(F)'' and insert ''(E)''.

On page 98, line 16, strike ''and fails'' and all that follows through ''this paragraph'' on page 98, line 20.

On page 98, line 25, strike ''(D)'' and insert ''(C)''.

On page 99, line 6, insert ''(i)'' after ''(B)''.

On page 99, line 12, strike ''(i)'' and insert ''(I)''.

On page 99, line 14, strike ''(ii)'' and insert ''(II)''.

On page 99, line 16, strike ''(iii)'' and insert ''(III)''.

On page 99, line 19, strike ''(iv)'' and insert ''(IV)''.

On page 99, line 21, strike ''(v)'' and insert ''(V)''.

On page 99, between lines 22 and 23, insert the following:

''(ii) A rural local agency, as described in section 5231(b), may apply to the Secretary for a waiver of the requirements of this subparagraph if the agency submits to the Secretary an alternative plan for making significant changes to improve student performance in the school, such as providing an academically focused after school program for all students, changing school administration, or implementing a research based, proven effective, whole school reform program. The Secretary shall approve or reject an application for a waiver under this subparagraph not later than 30 days after the submission of information required by the Secretary to apply for the waiver. If the Secretary fails to make a determination with respect to the waiver application within such 30 days, the application shall be considered approved by the Secretary.

On page 100, line 6, strike ''(D)'' and insert ''(C)''.

On page 100, line 23, strike ''(A)''.

On page 101, strike lines 5 though 20.

On page 102, lines 15 and 16, strike ''(7)(C) and subject to paragraph (7)(D)'' and insert ''(5)''.

On page 102, line 21, strike '', and that'' and all that follows through ''1111(b)(2)(B)(v)(II),'' on page 102, line 25.

On page 103, line 1, strike ''(D)'' and insert ''(C)''.

On page 103, line 7, strike '', and that'' and all that follows through ''disadvantaged students,'' on page 103, line 10.

On page 103, line 20, strike ''(D)'' and insert ''(C)''.

On page 104, line 22, strike ''section 1111(b)(2)(B)'' and insert ''sections 1111(b)(2)(B) and (D)''.

On page 105, line 13, strike ''section 1111(b)(2)(B)'' and insert ''sections 1111(b)(2)(B) and (D)''.

On page 105, lines 20 and 21, strike ''section 1111(b)(2)(B)'' and insert ''sections 1111(b)(2)(B) and (D)''.

On page 106, between lines 13 and 14, insert the following:

''(C) Not later than 30 days after a State educational agency makes an initial determination under subparagraph (A), the State educational agency shall make public a final determination regarding the improvement status of the local educational agency.

On page 106, lines 22 and 23, strike ''meet proficient levels'' and insert ''make continuous and significant progress towards meeting the goal of all students reaching the proficient level''.

On page 109, line 15, strike ''(C)'' and insert ''(E)''.

On page 112, line 16, strike ''(A)''.

On page 112, line 19, strike ''(3)'' and insert ''(6)''.

On page 112, strike line 23 and all that follows through page 113, line 2.

On page 113, line 14, strike ''(D)'' and insert ''(C)''.

On page 115, line 14, strike ''(D)'' and insert ''(C)''.

SA 590. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 683, strike lines 12 and 13, and insert the following:

''(H) programs to improve the literacy skills of adults, especially the parents of children served by the local educational agency, including adult education and family literacy programs;

On page 684, line 6, strike ''and''.

On page 684, line 7, strike the period and insert a semicolon.

On page 684, between lines 7 and 8, insert the following:

''(O) programs that employ research-based cognitive and perceptual development approaches and rely on a diagnostic-prescriptive model to improve students' learning of academic content at the preschool, elementary, and secondary levels; and

''(P) supplemental educational services as defined in section 1116(f)(6).

SA 591. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 130, strike line 2, and insert the following:

quality of professional development; and

''(J) provide assistance to teachers for the purpose of meeting certification, licensing, or other requirements needed to become highly qualified as defined in section 2102(4).'';

On page 130, line 5, strike the period and insert ''; and ''.

On page 130, between lines 5 and 6, insert the following:

(3) by adding at the end the following:

''(j) REQUIREMENT.—Each local educational agency that receives funds under this part and serves a school in which 50 percent or more of the children are from low income families shall use not less than 5 percent of the funds for each of fiscal years 2002 and fiscal year 2003, and not less than 10 percent of the funds for each subsequent fiscal year, for professional development activities to ensure that teachers who are not highly qualified become highly qualified within 4 years.''.

On page 127, line 23, insert ''(1)'' after ''(b)''.

On page 127, line 24, strike ''in paragraph (1),''.

SA 592. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 29, between lines 14 and 15, insert the following:

''SEC. 16. PROHIBITION ON DISCRIMINATION.

''Nothing in this Act shall be construed to require, authorize, or permit, the Secretary,

or a State, local educational agency, or school to grant to a student, or deny or impose upon a student, any financial or educational benefit or burden, in violation of the fifth or 14th amendments to the Constitution or other law relating to discrimination in the provision of federally funded programs or activities.''.

On page 36, strike lines 21 and 22, strike ''served under this part''.

On page 36, strike line 24 and all that follows through page 37, line 2, and insert the following:

guage arts, history, and science, except that—

''(i) any State which does not have standards in mathematics or reading or language arts, for public elementary school and secondary school children who are not served under this part, on the date of enactment of the Better Education for Students and Teachers Act shall apply the standards described in subparagraph (A) to such students not later than the beginning of the school year 2002–2003; and

''(ii) no State shall be required to meet the requirements under this part

On page 37, line 18, insert ''and'' after the semicolon.

On page 37, line 23, strike ''; and'' and insert a period.

On page 37, strike line 24 and all that follows through page 38, line 4.

On page 38, line 19, strike ''subparagraph (B)'' and insert ''subparagraphs (B) and (D)''.

On page 41, strike lines 6 through 8 and insert the following:

''(vii) includes school completion or graduation rates for secondary school students and at least 1 other academic indicator, as determined by the State, for elementary school students, except that

On page 41, line 13, strike ''discretionary''.

On page 44, lines 13 and 14, strike ''curriculum''.

On page 45, line 2, strike ''curriculum''.

On page 46, strike line 20 and all that follows through page 47, line 2.

On page 47, line 3, strike ''(E)'' and insert ''(D)''.

On page 47, between lines 6 and 7, insert the following:

''(E)(i) beginning not later than school year 2001–2002, measure the proficiency of students served under this part in mathematics and reading or language arts and be administered not less than one time during—

''(I) grades 3 through 5;

''(II) grades 6 through 9; and

''(III) grades 10 through 12;

''(ii) beginning not later than school year 2002–2003, measure the proficiency of all students in mathematics and reading or language arts and be administered not less than one time during—

''(I) grades 3 through 5;

''(II) grades 6 through 9; and

''(III) grades 10 through 12;

''(iii) beginning not later than school year 2007–2008, measure the proficiency of all students in science and be administered not less than one time during—

''(I) grades 3 through 5;

''(II) grades 6 through 9; and

''(III) grades 10 through 12;

On page 47, line 8, strike ''annual''.

On page 47, line 10, insert ''annually'' after ''standards''.

On page 47, line 11, insert '', and at least once in grades 10 through 12,'' after ''8''.

On page 47, line 12, insert ''if the tests are aligned with State standards,'' after ''arts,''.

On page 48, between lines 14 and 15, insert the following:

''(G) at the discretion of the State, measure the proficiency of students in academic subjects not described in subparagraphs (E) and (F) in which the State has adopted challenging content and student performance standards;

On page 48, line 15, strike ''(G)'' and insert ''(H)''.

On page 50, between lines 7 and 8, insert the following:

''(I) beginning not later than school year 2002–2003, provide for the annual assessment of the oral English proficiency of students with limited English proficiency who are served under this part or under title III and who do not participate in the assessment described in clause (iv) of subparagraph (H);

On page 50, line 8, strike ''(H)'' and insert ''(J)''.

On page 50, line 17, strike ''(I)'' and insert ''(K)''.

On page 50, lines 19 and 20, strike ''scores, or'' and insert ''performance on assessments aligned with State standards, and''.

On page 51, line 1, strike ''(J)'' and insert ''(L)''.

On page 51, line 20, insert '', but such measures shall not be the primary or sole indicator of student progress toward meeting State standards'' after ''measures''.

On page 51, line 21, insert ''Consistent with section 1112(b)(1)(D),'' before ''States''.

On page 52, strike lines 21 and 22 and insert the following:

is applicable to such agency or school;

''(B) the specific steps the State educational agency will take to ensure that both schoolwide programs and targeted assistance schools provide instruction by highly qualified instructional staff as required by sections 1114(b)(1)(C) and 1115(c)(1)(F), including steps that the State educational agency will take to ensure that poor and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out of field teachers, and the measures that the State educational agency will use to evaluate and publicly report the progress of the State educational agency with respect to such steps;

''(C) how the State educational agency will develop or identify high quality effective curriculum models aligned with State standards and how the State educational agency will disseminate such models to each local educational agency and school within the State; and

''(D) such other factors the State deems

On page 53, line 12, strike ''(i)'' and insert ''(j)''.

On page 59, lines 16 and 17, strike ''performance standards,'' and insert ''performance standards, a set of high quality annual student assessments aligned to the standards,''.

On page 59, line 19, insert ''and take such other steps as are needed to assist the State in coming into compliance with this section'' after ''1117''.

On page 68, line 24, strike ''paraprofessionals'' and insert ''a paraprofessional''.

On page 69, line 18, insert '', the setting of State performance standards, the development of measures of adequate yearly progress that are valid and reliable,'' before ''and other''.

SA 593. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

''(a) IN GENERAL.—From funds reserved under section 1225, the Secretary shall contract with an independent outside organization for a 5-year, rigorous, scientifically valid, quantitative evaluation of this subpart.

''(b) PROCESS.—Such evaluation shall be conducted by an organization outside of the Department that is capable of designing and carrying out an independent evaluation that identifies the effects of specific activities carried out by States and local educational agencies under this subpart on improving reading instruction. Such evaluation shall use only data relating to students served under this subpart and shall take into account factors influencing student performance that are not controlled by teachers or education administrators.

''(c) ANALYSIS.—Such evaluation shall include the following:

''(1) An analysis of the relationship between each of the essential components of reading instruction and overall reading proficiency.

''(2) An analysis of whether assessment tools used by States and local educational agencies measure the essential components of reading instruction.

''(3) An analysis of how State reading standards correlate with the essential components of reading instruction.

''(4) An analysis of whether the receipt of a discretionary grant under this subpart results in an increase in the number of children who read proficiently.

''(5) A measurement of the extent to which specific instructional materials improve reading proficiency.

''(6) A measurement of the extent to which specific rigorous diagnostic reading and screening assessment tools assist teachers in identifying specific reading deficiencies.

''(7) A measurement of the extent to which professional development programs implemented by States using funds received under this subpart improve reading instruction.

''(8) A measurement of how well students preparing to enter the teaching profession are prepared to teach the essential components of reading instruction.

''(9) An analysis of changes in students' interest in reading and time spent reading outside of school.

''(10) Any other analysis or measurement pertinent to this subpart that is determined to be appropriate by the Secretary.

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

SA 594. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title IX, add the following:

SEC. ____. HELPING CHILDREN SUCCEED BY FULLY FUNDING THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT (IDEA).

(a) FINDINGS.—Congress makes the following findings:

(1) All children deserve a quality education.

(2) In Pennsylvania Association for Retarded Children vs. Commonwealth of Pennsylvania (334 F. Supp. 1247)(E. Dist. Pa. 1971), and Mills vs. Board of Education of the District of Columbia (348 F. Supp. 866)(Dist. D.C. 1972), the courts found that children with

disabilities are entitled to an equal opportunity to an education under the 14th amendment of the Constitution.

(3) In 1975, Congress passed what is now known as the Individuals with Disabilities Education Act (referred to in this section as ''IDEA'') (20 U.S.C. 1400 et seq.) to help States provide all children with disabilities a free, appropriate public education in the least restrictive environment. At full funding, Congress contributes 40 percent of the average per pupil expenditure for each child with a disability served.

(4) Before 1975, only ⅕ of the children with disabilities received a formal education. At that time, many States had laws that specifically excluded many children with disabilities, including children who were blind, deaf, or emotionally disturbed, from receiving such an education.

(5) IDEA currently serves an estimated 200,000 infants and toddlers, 600,000 preschoolers, and 5,400,000 children 6 to 21 years of age.

(6) IDEA enables children with disabilities to be educated in their communities, and thus, has assisted in dramatically reducing the number of children with disabilities who must live in State institutions away from their families.

(7) The number of children with disabilities who complete high school has grown significantly since the enactment of IDEA.

(8) The number of children with disabilities who enroll in college as freshmen has more than tripled since the enactment of IDEA.

(9) The overall effectiveness of IDEA depends upon well trained special education and general education teachers, related services personnel, and other school personnel. Congress recognizes concerns about the nationwide shortage of personnel serving students with disabilities and the need for improvement in the qualifications of such personnel.

(10) IDEA has raised the Nation's awareness about the abilities and capabilities of children with disabilities.

(11) Improvements to IDEA in the 1997 amendments increased the academic achievement of children with disabilities and helped them to lead productive, independent lives.

(12) Changes made in 1997 also addressed the needs of those children whose behavior impedes learning by implementing behavioral assessments and intervention strategies to ensure that they receive appropriate supports in order to receive a quality education.

(13) IDEA requires a full partnership between parents of children with disabilities and education professionals in the design and implementation of the educational services provided to children with disabilities.

(14) While the Federal Government has more than doubled funding for part B of IDEA since 1995, the Federal Government has never provided more than 15 percent of the maximum State grant allocation for educating children with disabilities.

(15) By fully funding IDEA, Congress will strengthen the ability of States and localities to implement the requirements of IDEA.

(b) LOCAL EDUCATIONAL AGENCY ELIGIBILITY.—Clauses (i) and (ii) of section 613(a)(2)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1413(a)(2)(C)) is amended to read as follows:

''(i) Notwithstanding clauses (ii) and (iii) of subparagraph (A), for any fiscal year for which amounts appropriated to carry out section 611 exceeds $4,100,000,000, a local educational agency may treat as local funds, for the purpose of such clauses, up to 55 percent of the amount of funds it receives under this part that exceeds the amount it received under this part for fiscal year 2001, except where a local educational agency shows that it is meeting the requirements of this part, the local educational agency may petition the State to waive, in whole or in part, the 55 percent cap under this clause.

''(ii) Notwithstanding clause (i), if the Secretary determines that a local educational agency is not meeting the requirements of this part, the Secretary may prohibit the local educational agency from treating funds received under this part as local funds under clause (i) for any fiscal year, and may redirect the use of those funds to other educational programs within the local educational agency.''.

(c) FUNDING.—Section 611(j) of the Individuals with Disabilities Education Act (20 U.S.C. 1411(j)) is amended to read as follows:

''(j) FUNDING.—

''(1) IN GENERAL.—For the purpose of carrying out this part, other than section 619, there are authorized to be appropriated, and there are appropriated—

''(A) $8,823,685,000 for fiscal year 2002;

''(B) $11,323,685,000 for fiscal year 2003;

''(C) $13,823,685,000 for fiscal year 2004;

''(D) $16,323,685,000 for fiscal year 2005;

''(E) $18,823,685,000 for fiscal year 2006;

''(F) not more than $21,067,600,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2007;

''(G) not more than $21,742,019,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2008;

''(H) not more than $22,423,068,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2009;

''(I) not more than $23,095,622,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2010; and

''(J) not more than $23,751,456,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2011.

''(2) CONTINUATION OF AUTHORIZATION.—For fiscal year 2012 and each fiscal year thereafter, there are authorized to be appropriated such sums as may be necessary for the purpose of carrying out this part, other than section 619.''.

SA 595. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of tile IX, add the following:

SEC. . MAINTAINING FUNDING FOR THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

Section 611 of the Individuals with Disabilities Education Act is amended to add the following new subsection:

''(k) CONTINUATION OF AUTHORIZATION.—For fiscal year 2012 and each fiscal year thereafter, there are authorized to be appropriated such sums as may be necessary for the purpose of carrying out his part, other than section 619.''.

SA 596. Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. 902. LOAN FORGIVENESS FOR MATHEMATICS AND SCIENCE TEACHERS.

(a) FFEL PROGRAM.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078–10) is amended by adding at the end the following:

''(i) LOAN FORGIVENESS FOR TEACHERS OF MATHEMATICS AND SCIENCE.—

''(1) STATEMENT OF PURPOSE.—It is the purpose of this subsection to encourage individuals who majored in, or obtained a graduate degree in, mathematics or science to teach those subjects in high need schools.

''(2) PROGRAM AUTHORIZED.—The Secretary shall carry out a program, through the holder of the loan, of assuming the obligation to repay a qualified loan amount for a loan made under section 428 or 428H, in accordance with paragraph (3), for a borrower whose academic major or graduate degree was in mathematics or science, and who—

''(A) has been employed for 5 consecutive complete school years—

''(i) in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools; and

''(ii) as a full-time teacher of mathematics or science, as certified by the chief administrative officer of the public or nonprofit private elementary school or secondary school in which the borrower is employed;

''(B) has not been employed as a full-time teacher in a public or nonprofit private elementary school or secondary school prior to the date of enactment of the Better Education for Students and Teachers Act, other than as part of a teacher preparation or certification program; and

''(C) is not in default on a loan for which the borrower seeks forgiveness.

''(3) QUALIFIED LOANS AMOUNT.—

''(A) IN GENERAL.—The Secretary shall repay not more than $17,500 in the aggregate of the loan obligation on a loan made under section 428 or 428H that is outstanding after the completion of the fifth complete school year of teaching described in paragraph (2)(A). No borrower may receive a reduction of loan obligations under both this section and section 460.

''(B) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a loan made under section 428C may be a qualified loan amount for the purposes of this paragraph only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H for a borrower who meets the requirements of paragraph (2), as determined in accordance with regulations prescribed by the Secretary.''.

(b) DIRECT LOAN PROGRAM.—Section 460 of the Higher Education Act of 1965 (20 U.S.C. 1087j) is amended by adding at the end the following:

''(i) LOAN FORGIVENESS FOR TEACHERS OF MATHEMATICS AND SCIENCE.—

''(1) STATEMENT OF PURPOSE.—It is the purpose of this subsection to encourage individuals who majored in, or obtained a graduate degree in, mathematics or science to teach those subjects in high need schools.

''(2) PROGRAM AUTHORIZED.—

''(A) IN GENERAL.—The Secretary shall carry out a program of canceling the obligation to repay a qualified loan amount in accordance with paragraph (3) for Federal Direct Stafford Loans and Federal Direct Unsubsidized Stafford Loans made under this part for a borrower whose academic major or graduate degree was in mathematics or science, and who—

''(i) has been employed as a full-time teacher for 5 consecutive complete school years—

''(I) in a school that qualifies under section 465(a)(2)(A) for loan cancellation for Perkins loan recipients who teach in such schools; and

''(II) as a full-time teacher of mathematics or science, as certified by the chief administrative officer of the public or nonprofit private elementary school or secondary school in which the borrower is employed;

''(ii) has not been employed as a full-time teacher in a public or nonprofit private elementary school or secondary school prior to the date of enactment of the Better Education for Students and Teachers Act, other than as part of a teacher preparation or certification program; and

''(iii) is not in default on a loan for which the borrower seeks forgiveness.

''(B) SPECIAL RULE.—No borrower may obtain a reduction of loan obligations under both this section and section 428J.

''(3) QUALIFIED LOAN AMOUNTS.—

''(A) IN GENERAL.—The Secretary shall cancel not more than $17,500 in the aggregate of the loan obligation on a Federal Direct Stafford Loan or a Federal Direct Unsubsidized Stafford Loan that is outstanding after the completion of the fifth complete school year of teaching described in paragraph (2)(A)(i).

''(B) TREATMENT OF CONSOLIDATION LOANS.—A loan amount for a Federal Direct Consolidation Loan may be a qualified loan amount for the purposes of this subsection only to the extent that such loan amount was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H, for a borrower who meets the requirements of paragraph (2), as determined in accordance with regulations prescribed by the Secretary.''.

(c) CONFORMING AMENDMENTS.—

(1) FFEL PROGRAM.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078–10) is amended—

(A) in subsection (f), by inserting ''or (i)'' after ''(b)''; and

(B) in subsection (g)(1)—

(i) in subparagraph (A), by inserting ''or (i)(2)(A)(i)'' after ''(b)(1)(A)''; and

(ii) in the matter following subparagraph (B), by inserting ''or (i), as appropriate'' after ''(b)''.

(2) DIRECT LOAN PROGRAM.—Section 460 of the Higher Education Act of 1965 (20 U.S.C. 1087j) is amended—

(A) in subsection (f), by inserting ''or (i)'' after ''(b)''; and

(B) in subsection (g)(1)—

(i) in subparagraph (A), by inserting ''or (i)(2)(A)(i)(I)'' after ''(b)(1)(A)''; and

(ii) in subparagraph (B), by inserting ''or (i), as appropriate'' after ''(b)''.

SA 597. Mr. WELLSTONE (for himself, Mr. DAYTON, and Mr. FEINGOLD) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 48, between lines 14 and 15, insert the following:

''(iii) no State shall be required to conduct any assessments under this subparagraph in any school year if, by July 1, 2005, the amount appropriated to carry out this part for fiscal year 2005 does not equal or exceed $24,720,000,000;''.

SA 598. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

''SEC. . THE STUDY OF THE DECLARATION OF INDEPENDENCE, UNITED STATES CONSTITUTION, AND THE FEDERALIST PAPERS.

''It is the sense of Congress that—

''(1) State and local governments and local educational agencies are encouraged to dedicate at least 1 day of learning to the study and understanding of the significance of the Declaration of Independence, the United States Constitution, and the Federalist Papers; and

''(2) State and local governments and local educational agencies are encouraged to include a requirement that, before receiving a certificate or diploma of graduation from secondary school, students be tested on their competency in understanding the Declaration of Independence, the United States Constitution, and the Federalist Papers.''

SA 599. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. ___. CONFIDENTIAL REPORTING OF INDIVIDUALS SUSPECTED OF IMMINENT SCHOOL VIOLENCE.

Section 501(b) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3751(b)) is amended—

(1) in paragraph (27), as added by section 103 of Public Law 106–177 (114 Stat. 35) by striking ''and'' at the end;

(2) in paragraph (28), by striking the period at the end and inserting a semicolon;

(3) by redesignating paragraph (27), as added by section 2 of Public Law 106–561 (114 Stat. 2787) as paragraph (29);

(4) in paragraph (29), as redesignated by this section by striking the period at the end and inserting ''; and''; and

(5) by adding at the end the following:

''(30) to—

''(A) support the independent State development and operation of confidential, toll-free telephone hotlines that will operate 7 days per week, 24 hours per day, in order to provide students, school officials, and other individuals with the opportunity to report specific threats of imminent school violence or to report other suspicious or criminal conduct by juveniles to appropriate State and local law enforcement entities for investigation;

''(B) ensure proper State training of personnel to answer and respond to telephone calls to hotlines described in subparagraph (A);

''(C) assist in the acquisition of technology necessary to enhance the effectiveness of hotlines described in subparagraph (A), including the utilization of Internet web-pages or resources;

''(D) enhance State efforts to offer appropriate counseling services to individuals who call hotlines described in subparagraph (A) threatening to do harm to themselves or others; and

''(E) further State effort to publicize services offered by the hotlines described in subparagraph (A) and to encourage individuals to utilize those services.''.

SA 600. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 512, line 2, strike the end quotation mark and the second period.

On page 512, between lines 2 and 3, insert the following:

''SEC. 4304. CONFIDENTIAL REPORTING OF INDIVIDUALS SUSPECTED OF IMMINENT SCHOOL VIOLENCE.

''Subject to the provisions of this title and subpart 4 of part B of title V, funds made available under such titles may be used to—

''(1) support the independent State development and operation of confidential, toll-free telephone hotlines that will operate 7 days per week, 24 hours per day, in order to provide students, school officials, and other individuals with the opportunity to report specific threats of imminent school violence or to report other suspicious or criminal conduct by juveniles to appropriate State and local law enforcement entities for investigation;

''(2) ensure proper State training of personnel to answer and respond to telephone calls to hotlines described in paragraph (1);

''(3) assist in the acquisition of technology necessary to enhance the effectiveness of hotlines described in paragraph (1), including the utilization of Internet web-pages or resources;

''(4) enhance State efforts to offer appropriate counseling services to individuals who call hotlines described in paragraph (1) threatening to do harm to themselves or others; and

''(5) further State effort to publicize services offered by the hotlines described in paragraph (1) and to encourage individuals to utilize those services.''.

SA 601. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 619, strike lines 23 and 24, and insert ''and public and private entities''.

SA 602. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 510, after line 22, add the following: ''Notwithstanding any other provision of this title, and part B of title V, funds made available under such titles may be used by States to provide contracts or grants to,

and by the Secretary to provide Federal assistance to, for-profit entities to enable such entities to perform or assist in the performance of the activities described in this section.''.

SA 603. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 440, lines 15 and 16, strike ''and other public and private nonprofit agencies and organizations'' and insert ''and public and private entities''

On page 440, line 22, strike ''nonprofit organizations'' and insert ''entities''.

On page 452, line 13, insert ''with public and private entities'' after ''contracts''.

On page 460, lines 7 and 8, strike ''and other public entities and private nonprofit organizations'' and insert ''public and private entities''.

On page 483, lines 20 and 21, strike ''nonprofit organizations'' and insert ''entities''.

On page 489, lines 14 and 15, strike ''nonprofit private organizations'' and insert ''private entities''.

SA 604. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of the amendment, add the following:

TITLE —INDIVIDUALS WITH DISABILITIES

SEC. 01. DISCIPLINE.

Section 615 of the Individuals with Disabilities Education Act (20 U.S.C. 1415) is amended by adding at the end the following:

''(n) UNIFORM POLICIES.—

''(1) IN GENERAL.—Subject to paragraph (2), and notwithstanding any other provision of this Act, a State educational agency or local educational agency may establish and implement uniform policies regarding discipline and order applicable to all children in the jurisdiction of the agency to ensure the safety of such children and an appropriate educational atmosphere in the schools in the jurisdiction of the agency.

''(2) LIMITATION.—

''(A) IN GENERAL.—A child with a disability who is removed from his or her regular educational placement under paragraph (1) shall receive a free appropriate public education in an alternative educational setting if the behavior that led to his or her removal is a manifestation of his or her disability, as determined under subparagraphs (B) and (C) of subsection (k)(4).

''(B) MANIFESTATION DETERMINATION.—The manifestation determination shall be made immediately, if possible, but in no case later than 10 school days after school personnel decide to remove the child with a disability from his or her regular educational placement.

''(C) DETERMINATION THAT BEHAVIOR WAS NOT MANIFESTATION OF DISABILITY.—If the result of the manifestation review is a determination that the behavior of the child with a disability was not a manifestation of the child's disability, appropriate school personnel may apply to the child the same relevant disciplinary procedures that would apply to children without a disability.

''(D) RECORDS FOR DECISION.—If the agency initiates disciplinary procedures applicable to all children, the agency shall ensure that the special education and disciplinary records of a child with a disability are transmitted for consideration by the person making the final decision regarding the disciplinary action.''

SEC. 02. PROCEDURAL SAFEGUARDS.

Section 615 of the Individuals with Disabilities Education Act (20 U.S.C. 1415) (as amended by section 01) is amended by adding at the end the following:

''(o) DISCIPLINE BY LOCAL AUTHORITY WITH RESPECT TO WEAPONS, DRUGS, AND TEACHER ASSAULTS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, school personnel may discipline (including expel or suspend) a child with a disability in the same manner in which the personnel may discipline a child without a disability if the child with a disability—

''(A) carries or possesses a weapon to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local educational agency;

''(B) threatens to carry, possess, or use a weapon, (including a threat to kill another person) to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local education agency;

''(C) possesses or uses illegal drugs or sells or solicits the sale of a controlled substance while at school, on school premises, or at a school function under the jurisdiction of a State or local educational agency; or

''(D) assaults or threatens to assault a teacher, teacher's aide, principal, school counselor, or other school personnel, including independent contractors and volunteers.

''(2) INDIVIDUAL DETERMINATIONS.—In carrying out any disciplinary action described in paragraph (1), school personnel have discretion to consider all germane factors in each individual case and modify any disciplinary action on a case-by-case basis.

''(3) DEFENSE.—Nothing in paragraph (1) precludes a child with a disability who is disciplined under paragraph (1) from asserting a defense that the alleged act was unintentional or innocent.

''(4) LIMITATION.—

''(A) IN GENERAL.—A child with a disability who is removed from his or her regular educational placement under paragraph (1) shall receive a free appropriate public education in an alternative educational setting if the behavior that led to his or her removal is a manifestation of his or her disability, as determined under subparagraphs (B) and (C) of subsection (k)(4).

''(B) MANIFESTATION DETERMINATION.—The manifestation determination shall be made immediately, if possible, but in no case later than 10 school days after school personnel decide to remove the child with a disability from his or her regular educational placement.

''(C) DETERMINATION THAT BEHAVIOR WAS NOT MANIFESTATION OF DISABILITY.—If the result of the manifestation review is a determination that the behavior of the child with a disability was not a manifestation of the child's disability, appropriate school personnel may apply to the child the same relevant disciplinary procedures that would apply to children without a disability.

''(D) RECORDS FOR DECISION.—If the agency initiates disciplinary procedures applicable to all children, the agency shall ensure that the special education and disciplinary records of the child with a disability are transmitted for consideration by the person making the final decision regarding the disciplinary action.

''(E) REVIEW OF MANIFESTATION DETERMINATION.—If the parents or the local educational agency disagree with the manifestation determination, the agency or the parents may request a review of that determination through the procedures in subsections (f) through (i).

''(F) PLACEMENT DURING REVIEW.—During the course of any review proceedings under subparagraph (E), the child shall receive a free appropriate public education in an alternative education placement.

''(5) DEFINITIONS.—In this subsection:

''(A) WEAPON.—The term 'weapon' means a weapon, device, instrument, material, or substance, animate or inanimate, that is used for, or is readily capable of, causing death or serious bodily injury.

''(B) ILLEGAL DRUG, CONTROLLED SUBSTANCE, AND ASSAULT.—The terms 'illegal drug', 'controlled substance', 'assault', 'unintentional', and 'innocent' have the meanings given such terms under State law.''.

''(C) REVIEW OF MANIFESTATION DETERMINATION.—If the parents or the local educational agency disagree with the manifestation determination, they may request a review of that determination through the procedures in subsections (f) through (i).

''(D) PLACEMENT DURING REVIEW.—During the course of any review proceedings under subparagraph (E), the child shall receive a free appropriate public education in an alternative education placement.''.

SA 605. Mr. SESSIONS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of the amendment, add the following:

TITLE ___—INDIVIDUALS WITH DISABILITIES

SEC. ___01. DISCIPLINE.

Section 615 of the Individuals with Disabilities Education Act (20 U.S.C. 1415) is amended by adding at the end the following:

''(n) DISCIPLINE BY LOCAL AUTHORITY WITH RESPECT TO WEAPONS, DRUGS, AND TEACHER ASSAULTS.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, school personnel may discipline (including expel or suspend) a child with a disability in the same manner in which the personnel may discipline a child without a disability if the child with a disability—

''(A) carries or possesses a weapon to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local educational agency;

''(B) threatens to carry, possess, or use a weapon, (including a threat to kill another person) to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local education agency;

''(C) possesses or uses illegal drugs or sells or solicits the sale of a controlled substance while at school, on school premises, or at a school function under the jurisdiction of a State or local educational agency; or

''(D) assaults or threatens to assault a teacher, teacher's aide, principal, school counselor, or other school personnel, including independent contractors and volunteers.

''(2) INDIVIDUAL DETERMINATIONS.—In carrying out any disciplinary action described in paragraph (1), school personnel have discretion to consider all germane factors in each individual case and modify any disciplinary action on a case-by-case basis.

''(3) DEFENSE.—Nothing in paragraph (1) precludes a child with a disability who is disciplined under paragraph (1) from asserting a defense that the alleged act was unintentional or innocent.

''(4) LIMITATION.—

''(A) IN GENERAL.—A child with a disability who is removed from his or her regular educational placement under paragraph (1) shall receive a free appropriate public education in an alternative educational setting if the behavior that led to his or her removal is a manifestation of his or her disability, as determined under subparagraphs (B) and (C) of subsection (k)(4).

''(B) MANIFESTATION DETERMINATION.—The manifestation determination shall be made immediately, if possible, but in no case later than 10 school days after school personnel decide to remove the child with a disability from his or her regular educational placement.

''(C) DETERMINATION THAT BEHAVIOR WAS NOT MANIFESTATION OF DISABILITY.—If the result of the manifestation review is a determination that the behavior of the child with a disability was not a manifestation of the child's disability, appropriate school personnel may apply to the child the same relevant disciplinary procedures that would apply to children without a disability.

''(D) RECORDS FOR DECISION.—If the agency initiates disciplinary procedures applicable to all children, the agency shall ensure that the special education and disciplinary records of the child with a disability are transmitted for consideration by the person making the final decision regarding the disciplinary action.

''(E) REVIEW OF MANIFESTATION DETERMINATION.—If the parents or the local educational agency disagree with the manifestation determination, the agency or the parents may request a review of that determination through the procedures in subsections (f) through (i).

''(F) PLACEMENT DURING REVIEW.—During the course of any review proceedings under subparagraph (E), the child shall receive a free appropriate public education in an alternative education placement.

''(5) DEFINITIONS.—In this subsection:

''(A) WEAPON.—The term 'weapon' means a weapon, device, instrument, material, or substance, animate or inanimate, that is used for, or is readily capable of, causing death or serious bodily injury.

''(B) ILLEGAL DRUG, CONTROLLED SUBSTANCE, AND ASSAULT.—The terms 'illegal drug', 'controlled substance', 'assault', 'unintentional', and 'innocent' have the meanings given such terms under State law.''.

''(C) REVIEW OF MANIFESTATION DETERMINATION.—If the parents or the local educational agency disagree with the manifestation determination, they may request a review of that determination through the procedures in subsections (f) through (i).

''(D) PLACEMENT DURING REVIEW.—During the course of any review proceedings under subparagraph (E), the child shall receive a free appropriate public education in an alternative education placement.''.

SA 606. Mrs. FEINSTEIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, strike lines 3 through 8 and insert the following:

''(B) 40 percent of the average per pupil expenditure in the State, except that—

''(i) if the average per pupil expenditure in the State is less than 90 percent of the average per pupil expenditure in the United States, the amount shall be 90 percent of the average per pupil expenditure in the United States; or

''(ii) if the average per pupil expenditure in the State is more than 110 percent of the average per pupil expenditure in the United States, the amount shall be 110 percent of the average per pupil expenditure in the United States.

SA 607. Mrs. FEINSTEIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 141, strike lines 5 through 22 and insert the following:

''(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under sections 1124, 1124A, and 1125 for such year—

''(A) the Secretary shall ratably reduce the allocations to such local educational agencies; and

''(B) if, after reducing the allocations, the amounts that some local educational agencies would be eligible to receive would exceed 90 percent of the full amount while the amounts that other local educational agencies would be eligible to receive would be less than 90 percent of the full amount, the Secretary shall reallocate the amounts exceeding 90 percent to the other local educational agencies ratably so that all such other local educational agencies would be eligible to receive as close as possible to 90 percent, but not more, of the full amount.

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

''(c) HOLD-HARMLESS AMOUNTS.—

''(1) IN GENERAL.—If possible after application of subsection (b), for each fiscal year the amount made available to each local educational agency under each of sections 1124, 1124A, and 1125 shall be not less than—''.

SA 608. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, strike lines 3 through 8 and insert the following:

''(B) 40 percent of the average per pupil expenditure in the State, except that—

''(i) if the average per pupil expenditure in the State is less than 85 percent of the average per pupil expenditure in the United States, the amount shall be 85 percent of the average per pupil expenditure in the United States; or

''(ii) if the average per pupil expenditure in the State is more than 115 percent of the average per pupil expenditure in the United States, the amount shall be 115 percent of the average per pupil expenditure in the United States.

SA 609. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place in title I, insert the following:

SEC. ____. LOCAL EDUCATIONAL AGENCY SPENDING AUDITS.

(a) AUDITS.—The Office of the Inspector General of the Department of Education shall conduct not less than 6 audits of local education agencies that receive funds under part A of title I of the Elementary and Secondary Education Act of 1965 in each fiscal year to more clearly determine specifically how local education agencies are expending such funds. Such audits shall be conducted in 6 local educational agencies that represent the size, ethnic, economic and geographic diversity of local educational agencies and shall 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.

(b) REPORT.—Not later than 3 months after the completion of the audits under subsection (a) in each year, the Office of the Inspector General of the Department of Education shall submit a report on each audit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate.

SA 610. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 144, line 23, strike ''is the amount'' and all that follows through page 145, line 8, and insert ''shall be based on the number of children counted under subsection (c).''.

SA 611. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 18 and all that follows through line 15 on page 143, and insert the following:

''(c) SPECIAL FUNDING RULES.—Notwithstanding any other provision of law, a State shall not receive under this part for fiscal year 2000 or any succeeding fiscal year, an amount that—

''(1) exceeds by more than 10 percent the amount the State received under this part for fiscal year 1999; and

''(2) is less than 0.25 percent of the amount appropriated to carry out this part for the fiscal year for which the determination is made.

Beginning on page 144, line 23, strike ''year is'' and all that follows through line 8 on page 145, and insert ''year shall bear the same relation to the amount appropriated under section 1002(a) for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.''.

Beginning on page 149, strike line 23 and all that follows through line 11 on page 150, and insert the following:

''(3) PUERTO RICO.—The grant which the Commonwealth of Puerto Rico shall be eligible to receive under this section for each fiscal year is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

Beginning on page 155, strike line 13 and all that follows through line 3 on page 156.

On page 161, line 11, strike ''year shall'' and all that follows through line 16, and insert ''year shall bear the same relation to the amount made available to carry out this section for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.''.

On page 161, strike lines 17 through 23, and insert the following:

''(2) PUERTO RICO.—The amount of the grant for which the Commonwealth of Puerto Rico is eligible under this section is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

SA 612. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1. to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 141, strike lines 5 through 22 and insert the following:

''(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under sections 1124, 1124A, and 1125 for such year—

''(A) the Secretary shall ratably reduce the allocations to such local educational agencies; and

''(B) if, after reducing the allocations, the amounts that some local educational agencies would be eligible to receive would exceed 85 percent of the full amount while the amounts that other local educational agencies would be eligible to receive would be less than 85 percent of the full amount, the Secretary shall reallocate the amounts exceeding 85 percent to the other local educational agencies ratably so that all such other local educational agencies would be eligible to receive as close as possible to 85 percent, but not more, of the full amount.

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

''(c) HOLD-HARMLESS AMOUNTS.—

''(1) IN GENERAL.—If possible after application of subsection (b), for each fiscal year the amount made available to each local educational agency under each of sections 1124, 1124A, and 1125 shall be not less than—''.

SA 613. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1. to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 65 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.''

SA 614. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 85 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.''

SA 615. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, strike line 14 and insert the following:

remain available until expended.

''PART B—POVERTY DATA

''SEC. 9201. POVERTY DATA ADJUSTMENTS.

''Whenever the Secretary uses any data that relates to the incidence of poverty and is produced or published by or for the Secretary of Commerce for subnational, State or substate areas, the Secretary shall adjust the data to account for differences in the cost of living in the areas.''.

SA 616. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 90 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 85 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.''

SA 617. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 80 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 75 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is less than 15 percent.

SA 618. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 23 and all that follows through page 142, line 13, and insert the following:

''(A) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if the number of children counted for grants under section 1124 is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, served by the local educational agency;

''(B) 65 percent of the amount made available to the local educational agency under each such section for the preceding fiscal year if such percentage is not less than 15 percent and not more than 30 percent; and

''(C) 70 percent of the amount made available to the local educational agency under each such section for the preceding fiscal

year if such percentage is less than 15 percent.

SA 619. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 143, between lines 15 and 16, insert the following:

''(4) INAPPLICABILITY.—Notwithstanding any other provision of this part, this subsection shall not apply for any fiscal year for which the amount appropriated to carry out this part exceeds the amount appropriated to carry out this part for fiscal year 2001.

SA 620. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 145, strike lines 3 through 8 and insert the following:

''(B) 40 percent of the average per pupil expenditure in the State, except that—

''(i) if the average per pupil expenditure in the State is less than 95 percent of the average per pupil expenditure in the United States, the amount shall be 95 percent of the average per pupil expenditure in the United States; or

''(ii) if the average per pupil expenditure in the State is more than 105 percent of the average per pupil expenditure in the United States, the amount shall be 105 percent of the average per pupil expenditure in the United States.''

SA 621. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 141, strike lines 5 through 22 and insert the following:

''(1) IN GENERAL.—If the sums made available under this part for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under sections 1124, 1124A, and 1125 for such year—

''(A) the Secretary shall ratably reduce the allocations to such local educational agencies; and

''(B) if, after reducing the allocations, the amounts that some local educational agencies would be eligible to receive would exceed 95 percent of the full amount while the amounts that other local educational agencies would be eligible to receive would be less than 95 percent of the full amount, the Secretary shall reallocate the amounts exceeding 95 percent to the other local educational agencies ratably so that all such other local educational agencies would be eligible to receive as close as possible to 95 percent, but not more, of the full amount.

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

''(c) HOLD-HARMLESS AMOUNTS.—

''(1) IN GENERAL.—If possible after application of subsection (b), for each fiscal year the amount made available to each local educational agency under each of sections 1124, 1124A, and 1125 shall be not less than—''

SA 622. Mr. DAYTON (for himself and Mr. CORZINE) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. ___. AMENDMENT TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.

Notwithstanding any other amendment made by this Act to section 611(j) of the Individuals with Disabilities Education Act (20 U.S.C. 1411(j)), subsection (j) of such Act is amended to read as follows:

''(j) FUNDING.—For the purpose of carrying out this part, other than section 619, there are authorized to be appropriated, and there are appropriated—

''(1) $12,347,001,000 for fiscal year 2002;

''(2) not more than $18,370,317,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2003;

''(3) not more than $19,048,787,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2004;

''(4) not more than $19,719,918,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2005;

''(5) not more than $20,393,202,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2006;

''(6) not more than $21,067,600,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2007;

''(7) not more than $21,742,019,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2008;

''(8) not more than $22,423,068,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2009;

''(9) not more than $23,095,622,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2010; and

''(10) not more than $23,751,456,000, or the sum of the maximum amount that all States may receive under subsection (a)(2), whichever is lower, for fiscal year 2011.''.

SA 623. Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the End of title IV add the following:

SEC. 405. SAFE SCHOOLS INITIATIVE.

(a) SHORT TITLE.—This section may be cited as the ''Safe Schools Initiative Act of 2001''.

(b) FINDINGS AND PURPOSE.—

(1) FINDINGS.—Congress finds that—

(A) acts of school violence disrupt the lives of children, families and communities nationwide;

(B) schools are places students go to learn, not to fear for their safety;

(C) the Federal Government should help local communities keep their schools safe;

(D) each year since fiscal year 1999, Senator Gregg, as chairman of the Commerce, Justice, State and the Judiciary Appropriations Subcommittee of the Senate, has included funding for a collaborative program entitled ''Safe Schools Initiative'' in the Commerce-Justice-State appropriations bill;

(E) the Safe Schools Initiative is an effort to help schools employ safety strategies and ensure the well-being of all students; and

(F) this worthwhile program should be established in statute.

(2) PURPOSE.—It is the purpose of this section to maximize local flexibility in responding to the threat of juvenile violence through the implementation of effective school violence prevention and safety programs.

(c) PROGRAM AUTHORIZED.—

(1) DEFINITION.—In this subsection, the term ''local educational agencies'' has the meaning given under section 3 of the Elementary and Secondary Education Act of 1965.

(2) AUTHORIZATION.—The Attorney General shall award grants to local educational agencies and law enforcement agencies to assist in planning, establishing, operating, coordinating and evaluating school violence prevention and school safety programs.

(d) APPLICATION REQUIREMENTS.—To be eligible to receive a grant under subsection (c), an entity shall prepare and submit to the Attorney General an application at such time, in such manner and containing such information as the Attorney General may require, including—

(1) a detailed explanation of the intended uses of funds provided under the grant.

(e) ALLOWABLE USE OF FUNDS.—Amounts received under a grant under this section shall be used for innovative, local responses, consistent with the purposes of this section, which may include—

(1) training, including in-service training, for school personnel, custodians, and bus drivers in—

(A) the identification of potential threats (such as illegal weapons and explosive devices);

(B) crisis preparedness and intervention procedures; and

(C) emergency response;

(2) training of interested parents, teachers, and other school and law enforcement personnel in the identification and responses to early warning signs of troubled and violent youth;

(3) innovative research-based delinquency and violence prevention programs, including mentoring programs;

(4) comprehensive school security assessments;

(5) the purchase of school security equipment and technologies such as metal detectors, electronic locks, and surveillance cameras;

(6) collaborative efforts with law enforcement agencies and community-based organizations that have demonstrated expertise in providing effective, research-based violence prevention and intervention programs to schools age children;

(7) providing assistance to families in need for the purpose of purchasing required school uniforms;

(8) hiring school resource officers, including community police officers; and

(9) for any other purpose that the Attorney General determines to be appropriate and consistent with the purpose of this Act.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $200,000,000 for fiscal year 2002, and sums as may be necessary for each of fiscal years 2003 through 2008.

(g) REPORT TO CONGRESS.—Not later than 2 years after the date of enactment of this section, and every 2 years thereafter, the Attorney General shall prepare and submit to the appropriate committee of congress a report concerning the manner in which grantees have used amounts received under a grant under this section.

SA 624. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 776, line 17, strike ''education'' and all that follows through the end of line 19 and insert the following: ''education and the identification and recognition of exemplary schools and programs such as Blue Ribbon Schools, that are designed to promote the improvement of elementary and secondary education nationally.

'''(e) BLUE RIBBON SCHOOLS DISSEMINATION DEMONSTRATION.—

'''(1) IN GENERAL.—The Secretary shall conduct demonstration projects to evaluate the effectiveness of using the best practices of Blue Ribbon Schools to improve the educational outcomes of elementary and secondary schools that fail to make adequate yearly progress, as defined in the plan of the State under section 1111(b)(2)(B).

'''(2) REPORT TO CONGRESS.—Not later than 3 years after the date on which the Secretary implements the initial demonstration projects under subsection (a), the Secretary shall submit to Congress a report regarding the effectiveness of the demonstration projects.

'''(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000 for fiscal year 2002, and such sums as may be necessary in each of the 7 fiscal years thereafter.''.

SA 625. Mr. WYDEN (for himself, Mr. CONRAD, and Mrs. LINCOLN) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 648, strike lines 4 through 8 and insert the following:

''(1) to carry out chapter 1—

''(A) $150,000,000 for fiscal year 2002; and

''(B) such sums as may be necessary for each of the 6 succeeding fiscal years; and

''(2) to carry out chapter 2—

''(A) $150,000,000 for fiscal year 2002; and

''(B) such sums as may be necessary for each of the 6 succeeding fiscal years.''.

SA 626. Mr. WYDEN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 573, after line 25, add the following:

SEC. 4203. 24-HOUR HOLDING PERIOD FOR STUDENTS WHO UNLAWFULLY BRING A GUN TO SCHOOL.

''(a) IN GENERAL.—Each state receiving Federal funds under this Act shall have in effect a policy or practice described in subsection (b) by not later than the first day of the fiscal year involved.

''(b) STATE POLICY OR PRACTICE DESCRIBED.—A policy or practice described in this subsection is a policy or practice of the State that requires State and local law enforcement agencies to detain, in an appropriate juvenile community-based facility or in an appropriate juvenile justice facility, for not less than 24 hours, any juvenile who,

''(1) unlawfully possesses a firearm in a school; and

''(2) is found by a judicial officer to be a possible danger to himself or herself or to the community.''.

SA 627. Mr. REID submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 794, after line 7, add the following:

SEC. 9___. PEST MANAGEMENT IN SCHOOLS.

(a) IN GENERAL.—The Federal Insecticide, Fungicide, and Rodenticide Act is amended—

(1) by redesignating sections 33 and 34 (7 U.S.C. 136x, 136y) as sections 34 and 35, respectively; and

(2) by inserting after section 32 (7 U.S.C. 136w–7) the following:

''SEC. 33. PEST MANAGEMENT IN SCHOOLS.

''(a) DEFINITIONS.—In this section:

''(1) PESTICIDE.—The term 'pesticide' means a pesticide that, as identified by the Administrator—

''(A) contains a known or probable carcinogen;

''(B) contains a category I or II acute nerve toxin; or

''(C) is of the organophosphate, organochlorine, or carbamate class of pesticides.

''(2) SCHOOL.—The term 'school' means a public—

''(A) elementary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801));

''(B) secondary school (as defined in section 14101 of that Act); or

''(C) kindergarten or nursery school.

''(b) MANDATORY NOTIFICATION.—

''(1) IN GENERAL.—Not later than 72 hours prior to an application of a pesticide to the school grounds (including indoor and outdoor treatments), a school shall, in accordance with this subsection, notify parents and guardians of children attending that school of the application.

''(2) CONTENTS OF NOTIFICATION.—A notification required under this subsection shall include, with respect to each pesticide to be applied at the school during the application covered by the notification—

''(A) the common name, trade name, and Environmental Protection Agency registration number of the pesticide;

''(B) a description of the method, duration, and location of the application of the pesticide; and

''(C) a description of any potential acute or chronic effects on human health that may result from exposure to the pesticide.''.

(b) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended by striking the items relating to sections 30 and 31 and inserting the following:

''Sec. 30. Minimum requirements for training of maintenance applicators and service technicians.

''Sec. 31. Environmental Protection Agency minor use program.

''Sec. 32. Department of Agriculture minor use program.

''(a) In general.

''(b)(1) Minor use pesticide data.

''(2) Minor Use Pesticide Data Revolving Fund.

''Sec. 33. Pest management in schools.''

SA 628. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, insert the following:

SEC. ___. PEST MANAGEMENT IN SCHOOLS.

(a) IN GENERAL.—The Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a et seq.) is amended—

(1) by redesignating sections 33 and 34 as sections 34 and 35, respectively; and

(2) by inserting after section 32 the following:

''SEC. 33. PEST MANAGEMENT IN SCHOOLS.

''(a) DEFINITIONS.—In this section:

''(1) BAIT.—The term 'bait' means a pesticide that contains an ingredient that serves as a feeding stimulant, odor, pheromone, or other attractant for a target pest that is—

''(A) readily detected, recognized, or eaten by the target pest; or

''(B) applied in a manner that minimizes human exposure.

''(2) LOCAL EDUCATIONAL AGENCY.—The term 'local educational agency' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

''(3) PESTICIDE.—

''(A) IN GENERAL.—The term 'pesticide' has the meaning given the term in section 2.

''(B) EXCLUSION.—The term 'pesticide' does not include—

''(i) an antimicrobial pesticide described in section 2(mm)(1)(A);

''(ii) a bait, paste, gel, or pesticide used for crack or crevice treatment; or

''(iii) any pesticide exempt from the requirements of this Act under section 25(b).

''(4) SCHOOL.—The term 'school' means a public—

''(A) elementary school (as defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)); or

''(B) secondary school (as defined in section 14101 of that Act).

''(b) MANDATORY NOTIFICATION.—

''(1) IN GENERAL.—A school shall, in accordance with this subsection, notify parents and guardians of children attending that school before school employees or persons contracted by the school apply a pesticide to the school grounds, including both indoor and outdoor treatments.

''(2) ANNUAL NOTIFICATION.—A school shall notify parents and guardians at the beginning of each school year, and on the enrollment of a child in the school, that pesticides may be used periodically throughout the school year to manage pests.

''(3) NOTIFICATION OF INDIVIDUAL APPLICATIONS.—

''(A) LIST OF PARENTS AND GUARDIANS REQUESTING NOTIFICATION.—A school shall establish and maintain a list of parents and guardians who have requested notification by the school before each individual application of a pesticide on school grounds, including both indoor and outdoor treatments.

''(B) NOTIFICATION REQUIREMENT.—Subject to subparagraph (D), a school shall notify each parent and guardian on the list at least 24 hours before the application of a pesticide on school grounds.

''(C) METHOD OF NOTIFICATION.—A school may notify parents or guardians on the notification list of an upcoming pesticide application by—

''(i) sending a notice home with students;

''(ii) making a phone call to parents and guardians;

''(iii) directly communicating with parents and guardians; or

''(iv) using any other method the school considers appropriate.

''(D) NOTIFICATION NOT REQUIRED.—A school shall not be required to provide notification of the application of a pesticide under this paragraph if the school—

''(i) will not be in session for at least 48 hours following the application; or

''(ii) determines that the urgent or immediate use of a pesticide is necessary to protect students, staff, or other persons.

''(4) CONTENTS OF NOTIFICATION.—A notification required under this subsection shall include—

''(A) the common name, trade name, and Environmental Protection Agency registration number of the pesticide;

''(B) a description of the location of the application of the pesticide;

''(C) a description of the approximate date and time of application, except that, in the case of outdoor pesticide applications, 1 notice shall include 3 dates, in chronological order, that the outdoor pesticide applications may take place if the preceding date is canceled;

''(D) a description of the pests to be controlled by the application of the pesticide and the potential health and safety threats posed by the pests;

''(E) the name and telephone number of the contact person of the school district; and

''(F) any telephone numbers (including toll-free telephone numbers) provided on the label of the pesticide to obtain information concerning the pesticide.

''(c) INTEGRATED PEST MANAGEMENT IN SCHOOLS.—

''(1) IN GENERAL.—Not later than 18 months after the date of enactment of this subsection, the lead agency or board designated by each State for pesticide regulation shall develop a model integrated pest management program for schools in the State that is consistent with section 303 of the Food Quality Protection Act of 1996 (7 U.S.C. 136r–1) and this section.

''(2) IMPLEMENTATION.—Not later than 180 days after the development of the model integrated pest management program, each local educational agency in the State shall adopt and implement the program.

''(3) APPLICATORS.—A local educational agency of a State shall use a certified applicator or other person authorized by the lead agency or board of the State to implement the model integrated pest management program.''.

(b) CONFORMING AMENDMENT.—The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended by striking the items relating to sections 30 and 31 and inserting the following:

''Sec. 30. Minimum requirements for training of maintenance applicators and service technicians.

''Sec. 31. Environmental Protection Agency minor use program.

''Sec. 32. Department of Agriculture minor use program.

''(a) In general.

''(b)(1) Minor use pesticide data.

''(2) Minor Use Pesticide Data Revolving Fund.

''Sec. 33. Pest management in schools.

''(a) Definitions.

''(1) Bait.

''(2) Local educational agency.

''(3) Pesticide.

''(4) School.

''(b) Mandatory notification.

''(1) In general.

''(2) Annual notification.

''(3) Notification of individual applications.

''(4) Contents of notification.

''(c) Integrated pest management in schools.

''(1) In general.

''(2) Implementation.

''(3) Applicators.

''Sec. 34. Severability.

''Sec. 35. Authorization of appropriations.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section take effect on the date that is 18 months after the date of enactment of this Act.

SA 629. Mr. WELLSTONE (for himself, Mr. DEWINE, Mrs. CLINTON, Mr. SCHUMER, Mr. BIDEN, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 309, lines 17 and 18, strike ''subsection (f)'' and insert ''subsections (e) and (f)''.

On page 339, line 6, strike ''(e)'' and insert ''(d)''.

Beginning on page 340, strike line 9 and all that follows through page 341, line 8.

On page 341, line 9, strike ''(e)'' and insert ''(d)''.

On page 341, between lines 21 and 22, insert the following:

''(e) CAREERS TO CLASSROOMS.—

''(1) PURPOSES.—The purposes of this subsection are—

''(A) to establish a program to recruit and retain highly qualified mid-career professionals, recent graduates from an institution of higher education, and certain paraprofessionals, as teachers in high need schools, including recruiting teachers through alternative routes to certification; and

''(B) to encourage the development and expansion of alternative routes to certification under State-approved programs that enable individuals to be eligible for teacher certification within a reduced period of time, relying on the experience, expertise, and academic qualifications of an individual, or other factors in lieu of traditional course work in the field of education.

''(2) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE PARTICIPANT.—The term 'eligible participant' means—

''(i) an individual with substantial, demonstrable career experience and competence in a field for which there is a significant shortage of qualified teachers, such as mathematics, natural science, technology, engineering, and special education;

''(ii) an individual who is a graduate of an institution of higher education who—

''(I) has graduated not later than 3 years before applying to an agency or consortium to teach under this subsection;

''(II) in the case of an individual wishing to teach in a secondary school, has completed an academic major (or courses totaling an equivalent number of credit hours) in the academic subject that the individual will teach;

''(III) has graduated in the top 50 percent of the individual's undergraduate or graduate class;

''(IV) can demonstrate a high level of competence through a high level of performance in the academic subject that the individual will teach; and

''(V) meets any additional academic or other standards or qualifications established by the State; or

''(iii) a paraprofessional who—

''(I) has been working as a paraprofessional in an instructional role in an elementary school or secondary school for at least 2 years;

''(II) can demonstrate that the paraprofessional is capable of completing a bachelor's degree in not more than 2 years and is in the top 50 percent of the individual's undergraduate class;

''(III) will work toward completion of an academic major (or courses totaling an equivalent number of credit hours) in the academic subject that the paraprofessional will teach; and

''(IV) can demonstrate a high level of competence through a high level of performance in the academic subject that the paraprofessional will teach.

''(B) HIGH NEED LOCAL EDUCATIONAL AGENCY.—The term 'high need local educational agency' means a local educational agency that serves—

''(i) a high need school district; and

''(ii) a high need school.

''(C) HIGH NEED SCHOOL.—The term 'high need school' means a school that—

''(i)(I) is located in an area in which the percentage of students from families with incomes below the poverty line is 30 percent or more; or

''(II) is located in an area, other than a metropolitan statistical area, that the State determines has a high percentage of students from families with incomes below the poverty line or that has experienced greater than normal difficulty in recruiting or retaining teachers; and

''(ii)(I) is located in an area in which there is a high percentage of secondary school teachers not teaching in the content area in which teachers were trained to teach, is within the top quartile of schools statewide, as ranked by the number of unfilled, available teacher positions at the schools, is located in an area in which there is a high teacher turnover rate, or is located in an area in which there is a high percentage of teachers who are not certified or licensed.

''(D) HIGH NEED SCHOOL DISTRICT.—The term 'high need school district' means a school district in which there is—

''(i)(I) a high need school; and

''(II) a high percentage of individuals from families with incomes below the poverty line; and

''(ii)(I) a high percentage of secondary school teachers not teaching in the content area in which the teachers were trained to teach; or

''(II) a high teacher turnover rate.

''(E) POVERTY LINE.—The term 'poverty line' means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance

with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

''(3) GRANT PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a program to make grants on a competitive basis to State educational agencies, regional consortia of State educational agencies, high need local educational agencies, and consortia of high need local educational agencies, to develop State and local teacher corps or other programs to establish, expand, or enhance teacher recruitment and retention efforts.

''(B) PRIORITY.—In making such a grant, the Secretary shall give priority to an agency or consortium of agencies that applies for the grant in collaboration with an institution of higher education or a nonprofit organization that has a proven record of effectively recruiting and retaining highly qualified teachers in high need school districts.

''(4) APPLICATION.—

''(A) IN GENERAL.—To be eligible to receive a grant under this subsection, an agency or consortium described in paragraph (3) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) CONTENTS.—The application shall—

''(i) describe how the agency or consortium will use funds received under this subsection to develop a teacher corps or other program to recruit and retain highly qualified mid-career professionals, recent graduates from an institution of higher education, and paraprofessionals as teachers in high need schools;

''(ii) explain how the agency or consortium will determine that teacher candidates seeking to participate in a program under this section are eligible participants;

''(iii) explain how the program will meet the relevant State laws (including regulations) related to teacher certification and licensing;

''(iv) explain how the agency or consortium will ensure that no paraprofessional will be hired through the program as a teacher until the paraprofessional has obtained a bachelor's degree and meets the requirements of subclauses (II) through (V) of paragraph (2)(A)(ii);

''(v) include a determination of the high need academic subjects in the jurisdiction served by the agency or consortium and how the agency or consortium will recruit teachers for those subjects;

''(vi) describe how the grant will increase the number of highly qualified teachers in high need schools in high need school districts that are urban or rural school districts;

''(vii) describe how the agency or consortium described in paragraph (3) has met the requirements of subparagraph (C);

''(viii) describe how the agency or consortium will coordinate the activities carried out with the funds with activities carried out with other Federal, State, and local funds for teacher recruitment and retention;

''(ix) describe the plan of the agency or consortium described in paragraph (3) to recruit and retain highly qualified teachers in the high need academic subjects and high need schools and facilitate the certification or licensing of such teachers; and

''(x) describe how the agency or consortium described in paragraph (3) will meet the requirements of paragraph (7)(A).

''(C) COLLABORATION.—In developing the application, the agency or consortium shall consult with and seek input from—

''(i) in the case of a partnership established by a State educational agency or consortium of such agencies, representatives of local educational agencies, including teachers, principals, superintendents, and school board members (including representatives of their professional organizations if appropriate);

''(ii) in the case of a partnership established by a local educational agency or a consortium of such agencies, representatives of a State educational agency;

''(iii) elementary school and secondary school teachers, including representatives of their professional organizations;

''(iv) institutions of higher education;

''(v) parents; and

''(vi) other interested individuals and organizations, such as businesses, experts in curriculum development, and nonprofit organizations with a proven record of effectively recruiting and retaining highly qualified teachers in high need school districts.

''(5) DURATION OF GRANTS.—The Secretary may make grants under this subsection for periods of 5 years. At the end of the 5-year period for such a grant, the grant recipient may apply for an additional grant under this subsection.

''(6) EQUITABLE DISTRIBUTION.—The Secretary shall ensure an equitable geographic distribution of grants among the regions of the United States.

''(7) REQUIREMENTS.—

''(A) TARGETING.—An agency or consortium that receives a grant under this subsection to carry out a program shall ensure that participants in the program recruited with funds made available under this subsection are placed in high need schools, within high need school districts. In placing the participants in the schools, the agency or consortium shall give priority to the schools that are located in areas with the highest percentage of students from families with incomes below the poverty line.

''(B) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subsection shall be used to supplement and not supplant State and local public funds expended for teacher recruitment and retention programs, including programs to recruit the teachers through alternative routes to certification.

''(C) PARTNERSHIPS ESTABLISHED BY LOCAL EDUCATIONAL AGENCIES.—In the case of a partnership established by a local educational agency or a consortium of such agencies to carry out a program under this section the local educational agency or consortium shall not be eligible to receive funds through a State program under this section.

''(8) USES OF FUNDS.—

''(A) IN GENERAL.—An agency or consortium that receives a grant under this subsection shall use the funds made available through the grant to develop a teacher corps or other program in order to establish, expand, or enhance a teacher recruitment and retention program for highly qualified mid-career professionals, graduates of institutions of higher education, and paraprofessionals, who are eligible participants, including activities that provide alternative routes to teacher certification.

''(B) SPECIFIC ACTIVITIES.—The agency or consortium shall use the funds to carry out a Teacher Corps program that includes 2 or more activities that consist of—

''(i)(I) providing loans, scholarships, stipends, bonuses, and other financial incentives, that are linked to participation in activities that have proven effective in retaining teachers in higher need school districts, to all eligible participants (in an amount of not more than the lesser of $5,000 per eligible participant) who—

''(aa) are enrolled in a Teacher Corps program located in a State; and

''(bb) agree to seek certification through alternative routes to certification in that State; and

''(II) giving a preference, in awarding the loans, scholarships, stipends, bonuses, and other financial incentives, to individuals who the State determines have financial need for such loans, scholarships, stipends, bonuses, and other financial incentives;

''(ii) making payments (in an amount of not more than $5,000 per eligible participant) to schools to pay for costs associated with accepting teachers recruited under this subsection from among eligible participants or to provide financial incentives to prospective teachers who are eligible participants;

''(iii) providing mentoring;

''(iv) providing internships;

''(v) carrying out co-teaching arrangements;

''(vi) providing high quality, sustained in-service professional development opportunities;

''(vii) offering opportunities for teacher candidates to participate in preservice, high quality course work;

''(viii) collaboration with institutions of higher education in developing and implementing programs to facilitate teacher recruitment (including teacher credentialing) and teacher retention programs;

''(ix) providing accelerated paraprofessional-to-teacher programs that provide a paraprofessional with sufficient training and development to enable the paraprofessional to complete a bachelor's degree and fulfill other State certification or licensing requirements and that provide full pay and leave from paraprofessional duties for the period necessary to complete the degree and become certified or licensed; and

''(x) carrying out other programs, projects, and activities that—

''(I) are designed and have proven to be effective in recruiting and retaining teachers; and

''(II) the Secretary determines to be appropriate.

''(C) DEVELOPMENT OF LONG-TERM RECRUITMENT AND RETENTION STRATEGIES.—In addition to the activities authorized under subparagraph (B), an agency or consortium that receives a grant under this subsection may use the funds made available through the grant for—

''(i) the establishment and operation, or expansion and improvement, of a statewide or regionwide clearinghouse for the recruitment and placement of preschool, elementary school, secondary school, and vocational and technical school teachers (which shall not be subject to the targeting requirements under paragraph (7)(A));

''(ii) the establishment of administrative structures necessary for the development and implementation of programs to provide alternative routes to certification;

''(iii) the development of reciprocity agreements between or among States for the certification or licensure of teachers; and

''(iv) the implementation of other activities designed to ensure the use of long-term teacher recruitment and retention strategies.

''(D) EFFECTIVE ACTIVITIES.—The agency or consortium shall use the funds only for activities that have proven effective in both recruiting and retaining teachers.

''(9) REPAYMENT.—The recipient of a loan under this subsection shall immediately repay amounts received under such loan, and the recipient of a scholarship, stipend,

bonus, or other financial incentive under this subsection shall repay amounts received under such scholarship, stipend, bonus, or other financial incentive, to the agency or consortium from which the loan, scholarship, stipend, bonus, or other financial incentive was received if—

''(A) the recipient involved fails to complete the applicable program providing alternative routes to certification;

''(B) the recipient rejects a bona fide offer of employment at a high need school served by that agency or consortium during the 1-year period beginning on the date on which the recipient completes such a program; or

''(C) the recipient fails to teach for at least 2 years in a high need school served by that agency or consortium during the 5-year period beginning on the date on which the individual completes such a program.

''(10) ADMINISTRATIVE FUNDS.—No agency or consortium that receives a grant under this subsection shall use more than 5 percent of the funds made available through the grant for the administration of the Teacher Corps program carried out under the grant.

''(11) EVALUATION AND ACCOUNTABILITY FOR RECRUITING AND RETAINING TEACHERS.—

''(A) EVALUATION.—Each agency or consortium that receives a grant under this subsection shall conduct—

''(i) an interim evaluation of the Teacher Corps program funded under the grant at the end of the third year of the grant period; and

''(ii) a final evaluation of the program at the end of the fifth year of the grant period.

''(B) CONTENTS.—In conducting the evaluation, the agency or consortium shall describe the extent to which local educational agencies that received funds through the grant have met those goals relating to teacher recruitment and retention described in the application.

''(C) REPORTS.—The agency or consortium shall prepare and submit to the Secretary and to Congress interim and final reports containing the results of the interim and final evaluations, respectively.

''(D) REVOCATION.—If the Secretary determines that the recipient of a grant under this subsection has not made substantial progress in meeting the goals and objectives of the grant by the end of the third year of the grant period, the Secretary—

''(i) shall revoke the payment made for the fourth year of the grant period; and

''(ii) shall not make a payment for the fifth year of the grant period.

''(12) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $200,000,000 for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

On page 383, after line 21, add the following:

SEC. ___. MODIFICATION OF TROOPS-TO-TEACHERS PROGRAM.

(a) PURPOSE.—The purpose of this section is to authorize a mechanism for the funding and administration of the Troops-to-Teachers Program established by the Troops-to-Teachers Program Act of 1999 (title XVII of the National Defense Authorization Act for Fiscal Year 2000).

(b) DEFINITIONS.—Section 1701 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9301) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''means'' and all that follows and inserting ''means the Secretary of Education'';

(B) by striking paragraph (2);

(C) by redesignating paragraphs (3) and (4), as paragraphs (2) and (3), respectively; and

(D) in paragraph (2) (as so redesignated), by inserting before the period the following: ''and active and former members of the Coast Guard''; and

(2) by adding at the end the following:

''(c) ADMINISTRATION.—To the extent that funds are made available under this title, the administering Secretary shall use such funds to enter into a memorandum of agreement with the Defense Activity for Non-Traditional Education Support (referred to in this subsection as 'DANTES'), of the Department of Defense. DANTES shall use amounts made available under the memorandum of agreement to administer the Troops-to-Teachers Program, including the selection of participants in the Program in accordance with section 1704. The administering Secretary may retain a portion of the funds to identify local educational agencies with concentrations of children from low-income families or with teacher shortages and States with alternative certification or licensure requirements, as required by section 1702.''.

(c) AUTHORIZATION.—Section 1702 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9302) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''after their discharge or release, or retirement,'' and insert ''who retire''; and

(ii) by striking ''and'' at the end;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1), the following:

''(2) to assist members of the active reserve forces to obtain certification or licensure as elementary or secondary school teachers or as vocational or technical teachers; and''; and

(2) by adding at the end the following:

''(e) FUNDING.—The administering Secretary shall provide appropriate funds to the Secretary of Defense to enable the Secretary of Defense to manage and operate the Troops-to-Teachers Program.''.

(d) ELIGIBLE MEMBERS.—Section 1703 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9303) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) ELIGIBLE MEMBERS.—Subject to subsection (c), any member of the Armed Forces who, during the period beginning on October 1, 2000, and ending on September 30, 2006, retired from the active duty or who is a member of the active reserve and who satisfies such other criteria for the selection as the administering Secretary may require, shall be eligible for selection to participate in the Troops-to-Teachers Program.''; and

(2) in subsection (d)—

(A) by striking ''(1) The administering Secretary'' and inserting ''Secretary of Defense''; and

(B) by striking paragraph (2); and

(3) by adding at the end the following:

''(e) PLACEMENT ASSISTANCE AND REFERRAL SERVICES.—The administering Secretary may, with the agreement of the Secretary of Defense, provide placement assistance and referral services to members of the Armed Forces who separated from active duty under honorable circumstances. Such members shall meet education qualification requirements under subsection (b). Such members shall not be eligible for financial assistance under subsections (a) and (b) of section 1705.''.

(e) SELECTION OF PARTICIPANTS.—Section 1704 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9304) is amended—

(1) in subsection (a), by striking ''on a timely basis'';

(2) by striking subsection (b);

(3) in subsection (e)—

(A) in the matter preceding paragraph (1), by inserting ''and receives financial assistance'' after ''Program''; and

(B) in paragraph (2), by striking ''four school'' and all that follows and inserting ''three school years with a local educational agency, except that the Secretary of Defense may waive the 3 year commitment if the Secretary determines such waiver to be appropriate.'';

(4) in subsection (f), by striking ''subsection (e)'' and inserting ''subsection (d)''; and

(5) by redesignating subsections (c) through (f) as subsection (b) through (e), respectively.

(f) STIPENDS AND BONUSES.—Section 1705 of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9305) is amended—

(1) in subsection (a)—

(A) by striking ''(1) Subject'' and inserting ''Subject''; and

(B) by striking paragraph (2);

(2) in subsection (b)—

(A) by striking paragraph (2);

(B) in paragraph (3)—

(i) by striking subparagraphs (A) through (D) and inserting the following:

''(A) The school is in a low-income school district as defined by the administering Secretary.''; and

(ii) by redesignating subparagraphs (E) and (F), as subparagraphs (B) and (C), respectively; and

(C) by redesignating paragraph (3) as paragraph (2); and

(3) in subsection (d)—

(A) by striking ''four years'' each place that such appears and inserting ''three years''; and

(B) in paragraph (2), by striking ''1704(e)'' and inserting ''1704(d)''.

(g) PARTICIPATION BY STATES.—Section 1706(b) of the Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9306(b)) is amended—

(1) by striking ''(1) Subject to paragraph (2), the'' and inserting ''The''; and

(2) by striking paragraph (2).

(h) SUPPORT OF TEACHER CERTIFICATION PROGRAMS.—The Troops-to-Teachers Program Act of 1999 (20 U.S.C. 9301 et seq.) is amended by striking 1707 through 1709 and inserting the following:

''SEC. 1707. SUPPORT OF INNOVATIVE, PRE-RETIREMENT TEACHER CERTIFICATION PROGRAMS.

''(a) IN GENERAL.—The administering Secretary may enter into a memorandum of agreements with institutions of higher education to develop, implement, and demonstrate teacher certification programs for pre-retirement military personnel for the purpose of preparing such personnel to transition to teaching as a second career. Such program shall—

''(1) provide for the recognition of military experience and training as related to licensure or certification requirements;

''(2) provide courses of instruction that may be provided at military installations;

''(3) incorporate alternative approaches to achieve teacher certification such as innovative methods to gaining field based teaching experiences, and assessments of background and experience as related to skills, knowledge and abilities required of elementary or secondary school teachers; and

''(4) provide for the delivery of courses through distance education methods.

''(b) APPLICATIONS PROCEDURES.—

''(1) IN GENERAL.—An institution of higher education, or a consortia of such institutions, that desires to enter into an memorandum under subsection (a) shall prepare and submit to the administering Secretary a proposal, at such time, in such manner, and containing such information as the administering Secretary may require, including an assurance that the institution is operating one or more programs that lead to State approved teacher certification.

''(2) PREFERENCE.—The administering Secretary shall give a preference to institutions (or consortia) submitting proposals that provide for cost sharing with respect to the program involved.''

SA 630. Ms. CANTWELL (for herself and Mr. HARKIN) submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 379, between lines 19 and 20, insert the following:

''SEC. ____. NATIONAL DIGITAL SCHOOL DISTRICTS.

''(a) PURPOSES.—The purposes of this section are—

''(1) to address the important role that technology and the Internet can play in enhancing and improving education in the schools of the United States when resources are allocated strategically and effectively;

''(2) to assist State and local school administrators of the United States in effectively devoting resources on proven methods to incorporate the use of high technology and the Internet in educational curricula;

''(3) to encourage the development of innovative strategic approaches to the appropriate and effective use of technology in teaching, learning, and managing elementary schools and secondary schools;

''(4) to evaluate and assess the various strategies described in paragraph (3) and provide models for the innovative use of technology in schools in the United States; and

''(5) to encourage partnerships between educational institutions and the private sector relating to the use of technology described in paragraph (3) in schools in the United States.

''(b) DEFINITIONS.—In this section:

''(1) STATE.—The term 'State' means 1 of the several States of the United States and the District of Columbia.

''(2) STATE EDUCATIONAL AGENCY.—The term 'State educational agency' means the State educational agency of a State.

''(c) GRANTS TO STATE EDUCATIONAL AGENCIES.—

''(1) FISCAL YEAR 2002.—For fiscal year 2002, the Secretary shall award 1 grant to each State educational agency to make subgrants to local educational agencies to create national digital school districts.

''(2) FISCAL YEAR 2003.—

''(A) IN GENERAL.—For fiscal year 2003, the Secretary shall award 1 grant to each State educational agency to pay for the Federal share of the cost of making subgrants to local educational agencies to create national digital school districts.

''(B) FEDERAL SHARE.—The Federal share of the cost referred to in subparagraph (A) is 50 percent.

''(3) STATE APPLICATIONS.—To be eligible to receive a grant under this section, a State educational agency shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

''(d) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES.—

''(1) SUBGRANTS.—A State educational agency that receives a grant under subsection (c) shall use not less than 95 percent of the funds made available through the grant to make subgrants, on a competitive basis, to local educational agencies.

''(2) NOTICE.—The State educational agency shall provide notice to all local educational agencies in the State of the availability of subgrants under this subsection and of the requirements for applying for the subgrants.

''(3) LOCAL APPLICATIONS.—To be eligible to receive a subgrant under this section, a local educational agency shall submit an application to the State educational agency at such time, in such manner, and containing such information as the State educational agency may reasonably require.

''(4) USE OF SUBGRANTS.—A local educational agency that receives a subgrant under this subsection may use the funds made available through the subgrant to create a national digital school district by—

''(A) acquiring technology;

''(B) providing teacher mentoring; and

''(C) carrying out other efforts to achieve the purposes of this section.

''(e) ACADEMIC RESEARCH.—The Secretary shall award grants, on a competitive basis, for fiscal year 2004 to institutions of higher education, to conduct research on the effectiveness of the technology used in national digital school districts.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $100,000,000 for fiscal year 2002, $50,000,000 for fiscal year 2003, and $25,000,000 for fiscal year 2004.

''(g) REFERENCES.—References in this part to activities carried out under this part or funds provided to carry out this part shall not be considered to be references to activities carried out under this section or funds provided to carry out this section.

SA 631. Mr. LEVIN (for himself, Ms. LANDRIEU, and Mr. COCHRAN) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 189, between lines 17 and 18, insert the following:

''(6) PRIME TIME FAMILY READING TIME.—A State that receives a grant under this section may expend funds provided under the grant for a humanities-based family literacy program which bonds families around the acts of reading and using public libraries.

SA 632. Mr. LEVIN (for himself and Mr. JEFFORDS) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, add the following:

SEC. . INCREASE IN NUMBER OF MONTHS OF VOCATIONAL EDUCATIONAL TRAINING COUNTED AS A WORK ACTIVITY UNDER THE TANF PROGRAM.

Section 407(d)(8) of the Social Security Act (42 U.S.C. 607(d)(8)) is amended by striking ''12'' and inserting ''24''.

SA 633. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 328, line 21, insert before the semicolon the following: '', together with knowledge in the use of computer related technology to enhance student learning''.

SA 634. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 782, insert the following new subsections after line 17:

''(J) remedial and enrichment programs to assist Alaska Native students in succeeding in standardized tests;

''(K) education and training of Alaska Native Students enrolled in a degree program that will lead to certification as teachers;

''(L) parenting education for parents and caregivers of Alaska Native children to improve parenting skills (including skills relating to discipline and cognitive development), including parenting education provided through in-home visitation of new mothers;

''(M) cultural education programs operated by the Alaska Native Heritage Center and designed to share the Alaska Native culture with schoolchildren;

''(N) a cultural exchange program operated by the Alaska Humanities Forum and designed to share Alaska Native culture with urban students in a rural setting, which shall be known as the Rose Cultural Exchange Program;

''(O) activities carried through Even Start programs carried out under part B of title I and Head Start programs carried out under the Head Start Act, including the training of teachers for programs described in this subparagraph;

''(P) other early learning and preschool programs;

''(Q) dropout prevention programs such as Partners for Success; and

''(R) Alaska Initiative for Community Engagement program.''

On page 783, strike lines 8 through 11 and insert in lieu thereof the following:

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section the same amount as the authorization provided for activities under the Native Hawaiian Education Act in section 7205 of this Act for fiscal year 2002 and such sums as may be necessary for each of the 6 succeeding fiscal years.

''(d) AVAILABILITY OF FUNDS.—Of the funds appropriated and made available under this section for a fiscal year, the Secretary shall make available not less than $1,000,000 to support activities described in subsection (a)(2)(L), not less than $1,000,000 to support activities described in subsection (a)(2)(M), not less than $1,000,000 to support activities described in subsection (a)(2)(N); not less than $2,000,000 to support activities described in subsection (a)(2)(Q); and not less than $2,000,000 to support activities described in subsection (a)(2)(R).''

SA 635. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs

and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 383, after line 21, add the following:

SEC. 203. CLOSE UP FELLOWSHIP PROGRAM.

Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.), as amended by section 202, is further amended by adding at the end the following:

"PART E—CLOSE UP FELLOWSHIP PROGRAM

"SEC. ___. FINDINGS.

''Congress makes the following findings:

''(1) The strength of our democracy rests with the willingness of our citizens to be active participants in their governance. For young people to be such active participants, it is essential that they develop a strong sense of responsibility toward ensuring the common good and general welfare of their local communities, States and the Nation.

''(2) For the young people of our country to develop a sense of responsibility for their fellow citizens, communities and country, our educational system must assist them in the development of strong moral character and values.

''(3) Civic education about our Federal Government is an integral component in the process of educating young people to be active and productive citizens who contribute to strengthening and promoting our democratic form of government.

''(4) There are enormous pressures on teachers to develop creative ways to stimulate the development of strong moral character and appropriate value systems among young people, and to educate young people about their responsibilities and rights as citizens.

''(5) Young people who have economically disadvantaged backgrounds, or who are from other under-served constituencies, have a special need for educational programs that develop a strong a sense of community and educate them about their rights and responsibilities as citizens of the United States. Under-served constituencies include those such as economically disadvantaged young people in large metropolitan areas, ethnic minorities, who are members of recently immigrated or migrant families, Native Americans or the physically disabled.

''(6) The Close Up Foundation has thirty years of experience in providing economically disadvantaged young people and teachers with a unique and highly educational experience with how our federal system of government functions through its programs that bring young people and teachers to Washington, D.C. for a first-hand view of our government in action.

''(7) It is a worthwhile goal to ensure that economically disadvantaged young people and teachers have the opportunity to participate in Close Up's highly effective civic education program. Therefore, it is fitting and appropriate to provide fellowships to students of limited economic means and the teachers who work with such students so that the students and teachers may participate in the programs supported by the Close Up Foundation. It is equally fitting and appropriate to support the Close Up Foundation's 'Great American Cities' program that focuses on character and leadership development among economically disadvantaged young people who reside in our Nation's large metropolitan areas.

"Subpart 1—Program for Middle and Secondary School Students

"SEC. ___. ESTABLISHMENT.

''(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among economically disadvantaged middle and secondary school students.

''(b) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to economically disadvantaged students who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such students shall be known as the Close Up Fellowships.

"SEC. ___. APPLICATIONS.

''(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(b) CONTENT OF APPLICATION.—Each such application shall contain provisions to assure—

''(1) that fellowship grants are made to economically disadvantaged middle and secondary school students;

''(2) that every effort shall be made to ensure the participation of students from rural and small town areas, as well as from urban areas, and that in awarding fellowships to economically disadvantaged students, special consideration will be given to the participation of students with special educational needs, including students with disabilities, students with migrant parents and ethnic minority students; and

''(3) the proper disbursement of the funds received under this subpart.

"Subpart 2—Program for Middle and Secondary School Teachers

"SEC. ___. ESTABLISHMENT.

''(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of teaching skills enhancement for middle and secondary school teachers.

''(b) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to teachers who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such students shall be know as the Close Up Teacher Fellowships.

"SEC. ___. APPLICATIONS.

''(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(b) CONTENT OF APPLICATION.—Each such application shall contain provisions to assure—

''(1) that fellowship grants are made only to teachers who have worked with at least one student from such teacher's school who participates in the program described in section ___(a);

''(2) that no teacher in each school participating in the programs provided for in section (a) may receive more than one fellowship in any fiscal year; and

''(3) the proper disbursement of the funds received under this subpart.

"Subpart 3—Program for New Americans

"SEC. ___. ESTABLISHMENT.

''(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants in accordance with provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among economically disadvantaged secondary school students who are recent immigrants.

''(b) DEFINITION.—For purposes of this subpart, the term 'recent immigrant student' means a student of a family that immigrated to the United states within five years of the students participation in the program.

''(c) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to economically disadvantaged recent immigrant students who participate in the program described in subsection (a). Financial assistance received pursuant to this subpart by such students shall be know as the Close Up Fellowships for New Americans.

"SEC. ___. APPLICATIONS.

''(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(b) CONTENT OF APPLICATION.—Each such application shall contain provisions to assure ___(1) that fellowship grants are made to economically disadvantaged secondary school students;

''(2) that every effort shall be made to ensure the participation of recent immigrant students from rural and small town areas, as well as from urban areas, and that in awarding fellowships to economically disadvantaged recent immigrant students, special consideration will be given to the participation of those students with special educational needs, including students with disabilities, students with migrant parents and ethnic minority students;

''(3) that activities permitted by subsection (a) are fully described; and

''(4) the proper disbursement of the funds received under this subpart.

"Subpart 4—Great American Cities Program

"SEC. ___. ESTABLISHMENT.

''(a) GENERAL AUTHORITY.—

''(1) IN GENERAL.—The Secretary is authorized to make grants in accordance with provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its Great American Cities program to develop strong moral character, leadership qualities, a belief in community service and an understanding of Federal Government policy-making among economically disadvantaged young people who reside in large metropolitan areas.

''(2) DEFINITION.—For the purpose of this subpart, the term 'Great American Cities' means metropolitan areas as defined by the criteria of the Council of the Great City Schools.

''(b) USE OF FUNDS.—Grants under this subpart shall be used only to provide financial assistance to teachers and economically disadvantaged secondary school students who participate in the program described in subsection (a) and to assist in the development and execution of the program. Financial assistance received pursuant to this subpart by such students shall be known as the Close Up Great American Cities Fellowships.

"SEC. ___. APPLICATIONS.

''(a) APPLICATION REQUIRED.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

''(b) CONTENT OF APPLICATION.—Each such application shall contain provisions to assure—

''(1) that fellowship grants are made to teachers and economically disadvantaged secondary school students who reside in large metropolitan areas;

''(2) that every effort shall be made to ensure the participation of teachers and students from large metropolitan areas, and that in awarding fellowships to the teachers and economically disadvantaged students, special consideration will be given to the participation of students with special educational needs, including students with disabilities and ethnic minority students; and

''(3) the proper disbursement of the funds received under this subpart.

"Subpart 5—General Provisions

"SEC. ___. ADMINISTRATIVE PROVISIONS.

''(a) ACCOUNTABILITY.—In consultation with the Secretary, the Close Up Foundation will devise and implement procedures to measure the efficacy of the programs authorized in subparts 1, 2, 3 and 4 in attaining objectives that include: providing young people with an increased understanding of the Federal Government; heightening a sense of civic responsibility among young people; and enhancing the skills of educators in teaching young people about civic virtue, citizenship competencies and the Federal Government.

''(b) GENERAL RULE.—Payments under this part may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayments or overpayments.

''(c) AUDIT RULE.—The Comptroller General of the United States or any of the Comptroller General's duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to any grant under this part.

"SEC. ___. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of subparts 1, 2, 3 and 4 of this part $6,000,000 for fiscal year 2002 and such sums as may be necessary for each of the four succeeding fiscal years.

''(b) SPECIAL RULE.—Of the funds appropriated pursuant to subsection (a), not more than 30 percent may be used for teachers associated with students participating in the programs described in sections ___ and ___.''.

SA 636. Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 893, after line 14, insert the following:

TITLE —EDUCATIONAL CHOICES FOR DISADVANTAGED CHILDREN.

SEC. 01. PURPOSES.

The purposes of this title are—

(1) to assist the District of Columbia to—

(A) give children from low-income families in the District of Columbia the same choices among all elementary schools and secondary schools and other academic programs as children from wealthier families already have;

(B) improve schools and other academic programs in the District of Columbia by giving parents in low-income families increased consumer power to choose the schools and programs that the parents determine best fit the needs of their children; and

(C) more fully engage parents in the District of Columbia in their children's schooling; and

(2) to demonstrate, through a 3-year grant program, the effects of a voucher program in the District of Columbia that gives parents in low-income families—

(A) choice among public, private, and religious schools for their children; and

(B) access to the same academic options as parents in wealthy families have for their children.

SEC. 02. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this title (other than section 09) $24,000,000 for each of fiscal years 2002 through 2005.

(b) EVALUATION.—There is authorized to be appropriated to carry out section 09 $1,000,000 for each of fiscal years 2002 through 2005.

SEC. 03. PROGRAM AUTHORITY.

(a) IN GENERAL.—From amounts made available to carry out this title, the Secretary of Education shall award grants to the District of Columbia to enable the District of Columbia to carry out educational choice programs that provide scholarships, in accordance with this title.

(b) LIMIT ON FEDERAL ADMINISTRATIVE EXPENDITURES.—The Secretary of Education may reserve not more than 5 percent of the amounts appropriated under section 02(a) for a fiscal year to the District of Columbia Board of Education or other entity that exercises administrative jurisdiction over the District of Columbia public schools, the Superintendent of the District of Columbia public schools, and other school scholarship programs in the District of Columbia, to pay for the costs of administering this title.

SEC. 04. ELIGIBLE SCHOOLS.

(a) ELIGIBILITY.—

(1) IN GENERAL.—Schools identified under paragraph (2) shall be considered to be eligible schools under this title. The identification under paragraph (2) shall be carried out by the District of Columbia Board of Education or other entity that exercises administrative jurisdiction over the District of Columbia public schools, the Superintendent of the District of Columbia public schools, and other school scholarship programs in the District of Columbia.

(2) DETERMINATION.—Not later than 180 days after the date of enactment of this title, the District of Columbia shall identify the public elementary schools and secondary schools that are at or below the 25th percentile for academic performance of schools in the District of Columbia.

(b) PERFORMANCE.—The District of Columbia shall determine the academic performance of a school under this section based on such criteria as the District of Columbia may consider to be appropriate.

SEC. 05. SCHOLARSHIPS.

(a) IN GENERAL.—

(1) SCHOLARSHIP AWARDS.—With funds awarded under this title, District of Columbia shall provide scholarships to the parents of eligible children, in accordance with subsections (b) and (c). The District of Columbia shall ensure that the scholarships may be redeemed for elementary or secondary education for the eligible children at any of a broad variety of public and private schools, including religious schools, in the District of Columbia.

(2) SCHOLARSHIP AMOUNT.—The amount of each scholarship shall be $2000 per year.

(3) TAX EXEMPTION.—Scholarships awarded under this title shall not be considered income of the parents for Federal income tax purposes or for determining eligibility for any other Federal program.

(b) ELIGIBLE CHILD.—To be eligible to receive a scholarship under this title, a child shall be—

(1) a child who is enrolled in a public elementary school or secondary school that is an eligible school; and

(2) a member of a family with a family income that is not more than 200 percent of the poverty line.

(c) AWARD RULES.—

(1) PRIORITY.—In providing scholarships under this title, the District of Columbia shall provide scholarships for eligible children through a lottery system administered for all eligible schools in the District of Columbia.

(2) CONTINUING ELIGIBILITY.—The District of Columbia shall provide a scholarship in each year of the program to each child who received a scholarship during the previous year of the program, unless—

(A) the child no longer resides in the area served by an eligible school;

(B) the child no longer attends school;

(C) the child's family income exceeds, by 20 percent or more, 200 percent of the poverty line;

(D) the child is expelled; or

(E) the child is convicted of possession of a weapon on school grounds, convicted of a violent act against another student or a member of the school's faculty, or convicted of a felony, including felonious drug possession.

SEC. 06. USES OF FUNDS.

Any scholarship awarded under this title for a year shall be used—

(1) first, for—

(A) the payment of tuition and fees at the school selected by the parents of the child for whom the scholarship was provided; and

(B) the reasonable costs of the child's transportation to the school, if the school is not the school to which the child would be assigned in the absence of a program under this title;

(2) second, if the parents so choose, to obtain supplementary academic services for the child, at a cost of not more than $500, from any provider chosen by the parents, that the District of Columbia determines is capable of providing such services and has an appropriate refund policy; and

(3) finally, for educational programs that help the eligible child achieve high levels of academic excellence in the school attended by the eligible child, if the eligible child chooses to attend a public school.

SEC. 07. REQUIREMENT.

The District of Columbia shall allow lawfully operating public and private elementary schools and secondary schools, including religious schools, if any, serving the area involved to participate in the program.

SEC. 08. EFFECT OF PROGRAMS.

(a) TITLE I.—Notwithstanding any other provision of law, if the District of Columbia would, in the absence of an educational choice program that is funded under this title, provide services to a participating eligible child under part A of title I of the Elementary and Secondary Education Act of

1965 (20 U.S.C. 6311 et seq.), the District of Columbia shall ensure the provision of such services to such child.

(b) INDIVIDUALS WITH DISABILITIES.—Nothing in this title shall be construed to affect the requirements of part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.).

(c) AID.—

(1) IN GENERAL.—Scholarships under this title shall be considered to aid families, not institutions. For purposes of determining Federal assistance under Federal law, a parent's expenditure of scholarship funds under this title at a school or for supplementary academic services shall not constitute Federal financial aid or assistance to that school or to the provider of supplementary academic services.

(2) SUPPLEMENTARY ACADEMIC SERVICES.—

(A) IN GENERAL.—Notwithstanding paragraph (1), a school or provider of supplementary academic services that receives scholarship funds under this title shall, as a condition of participation under this title, comply with the provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

(B) REGULATIONS.—The Secretary of Education shall promulgate regulations to implement the provisions of subparagraph (A), taking into account the purposes of this title and the nature, variety, and missions of schools and providers that may participate in providing services to children under this title.

(d) OTHER FEDERAL FUNDS.—No Federal, State, or local agency may, in any year, take into account Federal funds provided to the District of Columbia or to the parents of any child under this title in determining whether to provide any other funds from Federal, State, or local resources, or in determining the amount of such assistance, to the District of Columbia or to a school attended by such child.

(e) NO DISCRETION.—Nothing in this title shall be construed to authorize the Secretary of Education to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school participating in a program under this title.

SEC. 09. EVALUATION.

The Comptroller General of the United States shall conduct an evaluation of the program authorized by this title. Such evaluation shall, at a minimum—

(1) assess the implementation of educational choice programs assisted under this title and their effect on participants, schools, and communities in the school districts served, including parental involvement in, and satisfaction with, the program and their children's education;

(2) compare the educational achievement of participating eligible children with the educational achievement of similar non-participating children before, during, and after the program; and

(3) compare—

(A) the educational achievement of eligible children who use scholarships to attend schools other than the schools the children would attend in the absence of the program; with

(B) the educational achievement of children who attend the schools the children would attend in the absence of the program.

SEC. 10. ENFORCEMENT.

(a) REGULATIONS.—The Secretary of Education shall promulgate regulations to enforce the provisions of this title.

(b) PRIVATE CAUSE.—No provision or requirement of this title shall be enforced through a private cause of action.

SEC. 11. WASTEFUL SPENDING AND FUNDING.

(a) IN GENERAL.—The Committee on Finance and the Committee on Appropriations of the Senate and the Committee on Ways and Means and the Committee on Appropriations of the House of Representatives shall identify wasteful spending by the Federal Government as a means of providing funding for this title.

(b) REPORT.—Not later than 60 days after the date of enactment of this title, the committees referred to in subsection (a) shall jointly prepare and submit to the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives, a report concerning the spending identified under such subsection.

SEC. 12. DISTRICT OF COLUMBIA SCHOLARSHIP CORPORATION.

(a) DEFINITIONS.—In this section—

(1) the term ''Board'' means the Board of Directors of the Corporation established under subsection (c); and

(2) the term ''Corporation'' means the District of Columbia Scholarship Corporation established under subsection (b).

(b) GENERAL REQUIREMENTS.—

(1) IN GENERAL.—There is authorized to be established a private, nonprofit corporation, to be known as the ''District of Columbia Scholarship Corporation'', which is neither an agency nor an establishment of the United States Government or the District of Columbia government.

(2) DUTIES.—The Corporation shall administer, publicize, and evaluate the scholarship program established under this section, and determine student and school eligibility for participation in the program.

(3) CONSULTATION.—The Corporation shall exercise its authority in consultation with the Board of Education, the Superintendent, the Consensus Commission, and other school scholarship programs in the District of Columbia.

(4) APPLICATION OF PROVISIONS.—The Corporation shall be subject to the provisions of this section, and, to the extent that it is consistent with this section, to the District of Columbia Nonprofit Corporation Act (D.C. Code, 29–501 et seq.).

(5) RESIDENCE.—The Corporation shall have its place of business in the District of Columbia, and shall be considered, for purposes of venue in civil actions, to be a resident of the District of Columbia.

(6) FUND.—There is established in the District of Columbia general fund, a fund that shall be known as the ''District of Columbia Scholarship Fund''.

(7) DISBURSEMENT.—The Mayor of the District of Columbia shall disburse to the Corporation, before October 15 of each fiscal year or not later than 15 days after the date of enactment of an Act making appropriations for the District of Columbia for such year, whichever occurs later, such funds as have been appropriated to the District of Columbia Scholarship Fund for the fiscal year for which such disbursement is made.

(8) AVAILABILITY.—Funds authorized to be appropriated under this section shall remain available until expended.

(9) USES.—Funds authorized to be appropriated under this section shall be used by the Corporation in a prudent and financially responsible manner, solely for awarding scholarships and for administrative costs.

(10) AUTHORIZATION.—

(A) IN GENERAL.—There is authorized to be appropriated to the District of Columbia Scholarship Fund for fiscal years 2002 through 2004, .

(B) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 3 percent of the amount appropriated to carry out this section for any fiscal year may be used by the Corporation for any purpose other than assistance to students.

(c) ORGANIZATION AND MANAGEMENT; BOARD OF DIRECTORS.—

(1) BOARD OF DIRECTORS; MEMBERSHIP.—

(A) IN GENERAL.—The Corporation shall have a Board of Directors comprised of 7 members, with 6 members of the Board appointed by the President not later than 30 days after receipt of nominations from the Speaker of the House of Representatives, the Majority Leader of the Senate, Minority Leader of the Senate in accordance with this paragraph.

(B) HOUSE NOMINATIONS.—The President shall appoint 2 members of the Board from a list of not fewer than 6 individuals nominated by the Speaker of the House of Representatives, and 1 member of the Board from a list of not fewer than 3 individuals nominated by the Minority Leader of the House of Representatives.

(C) SENATE NOMINATIONS.—The President shall appoint 2 members of the Board from a list of not fewer than 6 individuals nominated by the Majority Leader of the Senate, and 1 member of the Board from a list of not fewer than 3 individuals nominated by the Minority Leader of the Senate.

(D) DEADLINE.—The Speaker and Minority Leader of the House of Representatives and the Majority Leader and Minority Leader of the Senate shall submit their nominations to the President not later than 30 days after the date of enactment of this Act.

(E) APPOINTEE OF MAYOR.—The Mayor of the District of Columbia shall appoint 1 member of the Board not later than 60 days after the date of enactment of this Act.

(F) POSSIBLE INTERIM MEMBERS.—If the President does not appoint the 6 members of the Board in the 30-day period described in subparagraph (A), then the Speaker of the House of Representatives and the Majority Leader of the Senate shall each appoint 2 members of the Board, and the Minority Leader of the House of Representatives and the Minority Leader of the Senate shall each appoint 1 member of the Board, from among the individuals nominated pursuant to subparagraphs (A) and (B), as the case may be. The appointees under the preceding sentence, together with the appointee of the Mayor of the District of Columbia, shall serve as an interim Board, with all the powers and other duties of the Board described in this section, until the President makes the appointments as described in this subsection.

(2) POWERS.—All powers of the Corporation shall vest in and be exercised under the authority of the Board.

(3) ELECTIONS.—Members of the Board shall elect 1 of the members of the Board to serve as chairperson of the Board.

(4) RESIDENCY.—All members appointed to the Board shall be residents of the District of Columbia at the time of appointment and while serving on the Board.

(5) NONEMPLOYEE.—No member of the Board may be an employee of the United States Government or the District of Columbia government when appointed to or during tenure on the Board, unless the individual is on a leave of absence from such a position while serving on the Board.

(6) INCORPORATION.—The members of the initial Board shall serve as incorporators and

shall take whatever steps are necessary to establish the Corporation under the District of Columbia Nonprofit Corporation Act (D.C. Code 29–501 et seq.).

(7) GENERAL TERM.—The term of office of each member shall be 3 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which the predecessor was appointed shall be appointed for the remainder of such term.

(8) NO BENEFIT.—No part of the income or assets of the Corporation shall inure to the benefit of any Director, officer, or employee of the Corporation, except as salary or reasonable compensation for services.

(9) POLITICAL ACTIVITY.—The Corporation may not contribute to or otherwise support any political party or candidate for elective public office.

(10) NO OFFICERS OR EMPLOYEES.—The members of the Board shall not, by reason of such membership, be considered to be officers or employees of the United States Government or the District of Columbia government.

(11) STIPENDS.—The members of the Board, while attending meetings of the Board or while engaged in duties related to such meetings or other activities of the Board pursuant to this section, shall be provided a stipend. Such stipend shall be at the rate of $150 per day, for which the member of the Board is officially recorded as having worked, except that no member may be paid a total stipend amount in any calendar year in excess of $5,000.

(d) OFFICERS AND STAFF.—

(1) EXECUTIVE DIRECTOR.—The Corporation shall have an Executive Director, and such other staff, as may be appointed by the Board for terms and at rates of compensation, not to exceed level EG-16 of the Educational Service of the District of Columbia, to be fixed by the Board.

(2) STAFF.—With the approval of the Board, the Executive Director may appoint and fix the salary of such additional personnel as the Executive Director considers appropriate.

(3) ANNUAL RATE.—No staff of the Corporation may be compensated by the Corporation at an annual rate of pay that is greater than the annual rate of pay of the Executive Director.

(4) SERVICE.—All officers and employees of the Corporation shall shall serve at the pleasure of the Board.

(5) QUALIFICATION.—No political test or qualification may be used in selecting, appointing, promoting, or taking other personnel actions with respect to officers, agents, or employees of the Corporation.

(e) POWERS OF THE CORPORATION.—

(1) GENERALLY.—The Corporation is authorized to obtain grants from, and make contracts with, individuals and with private, State, and Federal agencies, organizations, and institutions.

(2) HIRING AUTHORITY.—The Corporation may hire, or accept the voluntary services of, consultants, experts, advisory boards, and panels to aid the Corporation in carrying out this section.

SA 637. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 18 and all that follows through line 15 on page 143, and insert the following:

''(c) SPECIAL FUNDING RULES.—Notwithstanding any other provision of law, a State shall not receive under this part for fiscal year 2000 or any succeeding fiscal year, an amount that—

''(1) exceeds by more than 10 percent the amount the State received under this part for fiscal year 1999; and

''(2) is less than 0.25 percent of the amount appropriated to carry out this part for the fiscal year for which the determination is made.

Beginning on page 144, line 23, strike ''year is'' and all that follows through line 8 on page 145, and insert ''year shall bear the same relation to the amount appropriated under section 1002(a) for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.''.

Beginning on page 149, strike line 23 and all that follows through line 11 on page 150, and insert the following:

''(3) PUERTO RICO.—The grant which the Commonwealth of Puerto Rico shall be eligible to receive under this section for each fiscal year is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

Beginning on page 155, strike line 13 and all that follows through line 3 on page 156.

On page 161, line 11, strike ''year shall'' and all that follows through line 16, and insert ''year shall bear the same relation to the amount made available to carry out this section for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.''.

On page 161, strike lines 17 through 23, and insert the following:

''(2) PUERTO RICO.—The amount of the grant for which the Commonwealth of Puerto Rico is eligible under this section is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

SA 638. Mr. NELSON of Florida submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 69, between lines 9 and 10, insert the following:

''(6) REPORT TO CONGRESS.—The Secretary shall report annually to Congress—

''(A) beginning with school year 2001–2002, information on the State's progress in developing and implementing the assessments described in subsection (b)(3);

''(B) beginning not later than school year 2004–2005, information on the achievement of students on the assessments described in subsection (b)(3), including the disaggregated results for the categories of students described in subsection (b)(2)(B)(v)(II);

''(C) the number and name of each school identified for school improvement under section 1116(c), the reason why each school was so identified, and the measures taken to address the performance problems of such schools; and

''(D) in any year before the States begin to provide the information described in paragraph (B) to the Secretary, information on the results of student assessments (including disaggregated results) required under this section.

SA 639. Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

Beginning on page 141, strike line 18 and all that follows through line 15 on page 143, and insert the following:

''(c) SPECIAL FUNDING RULES.—Notwithstanding any other provision of law, a State shall not receive under this part for fiscal year 2000 or any succeeding fiscal year, an amount that—

''(1) exceeds by more than 10 percent the amount the State received under this part for fiscal year 1999; and

''(2) is less than 0.25 percent of the amount appropriated to carry out this part for the fiscal year for which the determination is made.

Beginning on page 144, line 23, strike ''year is'' and all that follows through line 8 on page 145, and insert ''year shall bear the same relation to the amount appropriated under section 1002(a) for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.''.

Beginning on page 149, strike line 23 and all that follows through line 11 on page 150, and insert the following:

''(3) PUERTO RICO.—The grant which the Commonwealth of Puerto Rico shall be eligible to receive under this section for each fiscal year is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

Beginning on page 155, strike line 13 and all that follows through line 3 on page 156.

On page 161, line 11, strike ''year shall'' and all that follows through line 16, and insert ''year shall bear the same relation to the amount made available to carry out this section for the fiscal year as the number of children counted under section 1124(c) for the local educational agency bears to the number of children counted under section 1124(c) for all local educational agencies in all States.''.

On page 161, strike lines 17 through 23, and insert the following:

''(2) PUERTO RICO.—The amount of the grant for which the Commonwealth of Puerto Rico is eligible under this section is equal to the amount received by the Commonwealth of Puerto Rico under this section for fiscal year 1999.

SA 640. Mr. DORGAN (for himself, Mr. REID, Mr. DURBIN, Ms. BOXER, Mrs. FEINSTEIN, and Mrs. MURRAY) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

at the appropriate place, insert:

The Senate finds:

The price of energy has skyrocketed in recent months;

The California consumers have seen a 10-fold increase in electricity prices in less than 2 years;

Natural gas prices have doubled in some areas, as compared with a year ago;

Gasoline prices are close to $2.00 per gallon now and are expected to increase to as much as $3.00 per gallon this summer;

Energy companies have seen their profits doubled, tripled, and in some cases even quintupled; and

High energy prices are having a detrimental effect on families across the country and threaten economic growth.

SECTION 1. SENSE OF THE SENATE CONCERNING THE NEED TO ESTABLISH A JOINT COMMITTEE OF THE SENATE AND HOUSE OF REPRESENTATIVES TO INVESTIGATE THE RAPIDLY INCREASING ENERGY PRICES ACROSS THE COUNTRY AND TO DETERMINE WHAT IS CAUSING THE INCREASES.

It is the sense of the Senate that there should be established a joint committee of the Senate and House of Representatives to—

(1) study the dramatic increases in energy prices (including increases in the prices of gasoline, natural gas, electricity, and home heating oil);

(2) investigate the cause of the increases;

(3) make findings of fact; and

(4) make such recommendations, including recommendations for legislation and any administrative or other actions, as the joint committee determines to be appropriate.

SA 641. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title II, add the following:

SEC. 203. PROFESSIONAL DEVELOPMENT.

Section 3141(b)(2)(A) (20 U.S.C. 6861(b)(2)(A)) is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii)(V), by adding ''and'' after the semicolon; and

(3) by adding at the end the following:

''(iii) the provision of incentives, including bonus payments, to recognized educators who achieve the National Education Technology Standards, or an information technology certification that is directly related to the curriculum or content area in which the teacher provides instruction;''.

SA 642. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 178, between lines 19 and 20, insert the following:

''(4) RESERVATION FROM APPROPRIATIONS.—From the amounts appropriated under section 1002(b)(2) to carry out this subpart for a fiscal year, the Secretary shall—

''(A) reserve ½ of 1 percent for allotments for the Virgin Islands, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands, to be distributed among these outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purposes of this subpart; and

''(B) reserve ½ of 1 percent for allotments for the Secretary of the Interior for programs under this subpart in schools operated or funded by the Bureau of Indian Affairs.

On page 272, line 10, strike ''and the Republic of Palau'' and insert ''Republic of Palau, and Bureau of Indian Affairs for purposes of serving schools funded by the Bureau''.

On page 776, line 10, insert before the semicolon the following: ''or, in the case of a Bureau of Indian Affairs funded school, by the Secretary of the Interior''

On page 807, strike lines 1 through 18.

On page 808, strike lines 15 and 16.

SA 643. Mr. ENZI (for himself and Ms. COLLINS, Mrs. MURRAY, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 99, between line 22 and 23, Title I, Sec. 1116(8)(B), is amended by inserting:

(1) SPECIAL RULE.—Rural local educational agencies, as described in Sec. 5231(b) may apply to the Secretary for a waiver of the requirements under this sub-paragraph provided that they submit to the Secretary an alternative plan for making significant changes to improve student performance in the school, such as providing extended learning time through an academically-focused after school program for all students, changing school administration or implementing a research-based, proven-effective, whole-school reform program. The Secretary shall approve or reject an application for a waiver submitted under this rule within 30 days of the submission of information required by the Secretary to apply for the waiver. If the Secretary fails to make a determination with respect to the waiver application within 30 days, the application shall be treated as having been accepted by the Secretary.

SA 644. Mr. ENZI submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ____—PUBLIC SCHOOL CONSTRUCTION

Subtitle A—General Provisions

SEC. ____. PUBLIC SCHOOL CONSTRUCTION FINANCING OPTIONS.

(a) IN GENERAL.—For the purpose of providing funding for qualified public school facility construction projects, a State may choose 1 of the Federal funding mechanisms described in subtitles B, C, or D.

(b) QUALIFIED PUBLIC SCHOOL FACILITY CONSTRUCTION PROJECT.—For purposes of this title—

(1) IN GENERAL.—The term ''qualified public school facility construction project'' means a construction project selected by the State with respect to a public school facility—

(A) 50 percent of the enrollment population of which is from families whose income does not exceed the poverty level, as determined by annual census data published by the Department of Labor,

(B) located in a district in which the district bonded indebtedness or the indebtedness authorized by the district electorate and payable from general property tax levies of the districts within the agency's jurisdiction has reached or exceeded 90 percent of the debt limitation imposed upon school districts pursuant to State law,

(C) with respect to which the local educational agency has made its best effort to maintain the existing facility, and

(D) among all public school facilities in the State meeting the criteria under subparagraphs (A), (B), and (C) is among the 10 percent of such facilities most in need.

(2) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given to such term by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(3) PUBLIC SCHOOL FACILITY.—The term ''public school facility'' means any public elementary or secondary school facility, but shall not include—

(A) any stadium or other facility primarily used for athletic contests or exhibitions, or other events for which admission is charged to the general public; or

(B) any facility that is not owned by a State or local government or any agency or instrumentality of a State or local government.

(4) PUBLIC SCHOOLS.—The terms ''elementary school'' and ''secondary school'' have the meanings given such terms by section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(5) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

Subtitle B—Liberalization of Tax-Exempt Financing Rules for Qualified Public School Facility Construction Projects

SEC. ____. ADDITIONAL INCREASE IN ARBITRAGE REBATE EXCEPTION FOR GOVERNMENTAL BONDS USED TO FINANCE QUALIFIED PUBLIC SCHOOL FACILITY CONSTRUCTION PROJECTS.

(a) IN GENERAL.—Section 148(f)(4)(D)(vii) of the Internal Revenue Code of 1986 (relating to increase in exception for bonds financing public school capital expenditures) is amended by striking ''$5,000,000'' the second place it appears and inserting ''$5,000,000 plus $5,000,000 solely for qualified public school facility construction projects (as defined in section ____(b)(1) of the Better Education for Students and Teachers Act)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued in calendar years beginning after December 31, 2001.

SEC. ____. TREATMENT OF QUALIFIED PUBLIC EDUCATIONAL FACILITY BONDS AS EXEMPT FACILITY BONDS.

(a) TREATMENT AS EXEMPT FACILITY BOND.—Subsection (a) of section 142 of the Internal Revenue Code of 1986 (relating to exempt facility bond) is amended by striking ''or'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', or'', and by adding at the end the following new paragraph:

''(13) qualified public educational facilities.''.

(b) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—Section 142 of such Code (relating to exempt facility bond) is amended by adding at the end the following new subsection:

''(k) QUALIFIED PUBLIC EDUCATIONAL FACILITIES.—

''(1) IN GENERAL.—For purposes of subsection (a)(13), the term 'qualified public educational facility' means any public school facility within the meaning of section ____(b)(1) of the Better Education for Students and Teachers Act), owned by a private,

for-profit corporation pursuant to a public-private partnership agreement with a State or local educational agency described in paragraph (2).

''(2) PUBLIC-PRIVATE PARTNERSHIP AGREEMENT DESCRIBED.—A public-private partnership agreement is described in this paragraph if it is an agreement—

''(A) under which the corporation agrees—

''(i) to do 1 or more of the following: construct, rehabilitate, refurbish, or equip a school facility, and

''(ii) at the end of the term of the agreement, to transfer the school facility to such agency for no additional consideration, and

''(B) the term of which does not exceed the term of the issue to be used to provide the school facility.

''(3) ANNUAL AGGREGATE FACE AMOUNT OF TAX-EXEMPT FINANCING.—

''(A) IN GENERAL.—An issue shall not be treated as an issue described in subsection (a)(13) if the aggregate face amount of bonds issued by the State pursuant thereto (when added to the aggregate face amount of bonds previously so issued during the calendar year) exceeds an amount equal to the greater of—

''(i) $10 multiplied by the State population, or

''(ii) $5,000,000.

''(B) ALLOCATION RULES.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the State may allocate the amount described in subparagraph (A) for any calendar year in such manner as the State determines appropriate.

''(ii) RULES FOR CARRYFORWARD OF UNUSED LIMITATION.—A State may elect to carry forward an unused limitation for any calendar year for 3 calendar years following the calendar year in which the unused limitation arose under rules similar to the rules of section 146(f), except that the only purpose for which the carryforward may be elected is the issuance of exempt facility bonds described in subsection (a)(13).''.

(c) EXEMPTION FROM GENERAL STATE VOLUME CAPS.—Paragraph (3) of section 146(g) of such Code (relating to exception for certain bonds) is amended—

(1) by striking ''or (12)'' and inserting ''(12), or (13)'', and

(2) by striking ''and environmental enhancements of hydroelectric generating facilities'' and inserting ''environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities''.

(d) EXEMPTION FROM LIMITATION ON USE FOR LAND ACQUISITION.—Section 147(h) of such Code (relating to certain rules not to apply to mortgage revenue bonds, qualified student loan bonds, and qualified 501(c)(3) bonds) is amended by adding at the end the following new paragraph:

''(3) EXEMPT FACILITY BONDS FOR QUALIFIED PUBLIC-PRIVATE SCHOOLS.—Subsection (c) shall not apply to any exempt facility bond issued as part of an issue described in section 142(a)(13) (relating to qualified public educational facilities).''.

(e) CONFORMING AMENDMENT.—The heading for section 147(h) of such Code is amended by striking ''MORTGAGE REVENUE BONDS, QUALIFIED STUDENT LOAN BONDS, AND QUALIFIED 501(c)(3) BONDS'' and inserting ''CERTAIN BONDS''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after December 31, 2001.

Subtitle C—Revolving Loan Program for Bond Interest Repayment

SEC. ___. DEFINITIONS.

In this subtitle:

(1) BOND.—The term ''bond'' includes any obligation.

(2) GOVERNOR.—The term ''Governor'' includes the chief executive officer of a State.

(3) QUALIFIED SCHOOL CONSTRUCTION BOND.—The term ''qualified school construction bond'' means any bond (or portion of a bond) issued as part of an issue if—

(A) 95 percent or more of the proceeds attributable to such bond (or portion) are to be used for the construction, rehabilitation, or repair of a public school facility (within the meaning of section ___(b)(1) of the Better Education for Students and Teachers Act) or for the acquisition of land on which such a facility is to be constructed with part of the proceeds;

(B) the bond is issued by a State, regional, or local entity, with bonding authority; and

(C) the issuer designates such bond (or portion) for purposes of this section.

(4) STABILIZATION FUND.—The term ''stabilization fund'' means the stabilization fund established under section 5302 of title 31, United States Code.

SEC. ___. LOANS FOR SCHOOL CONSTRUCTION BOND INTEREST PAYMENTS AND OTHER SUPPORT.

(a) LOAN AUTHORITY AND OTHER SUPPORT.—

(1) LOANS AND STATE-ADMINISTERED PROGRAMS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), from funds made available to a State under section ___(b) the State, in consultation with the State educational agency—

(i) shall use not less than 50 percent of the funds to make loans to State, regional, or local entities within the State to enable the entities to make annual interest payments on qualified school construction bonds that are issued by the entities not later than December 31, 2004; and

(ii) may use not more than 50 percent of the funds to support State revolving fund programs or other State-administered programs that assist State, regional, and local entities within the State in paying for the cost of construction, rehabilitation, repair, or acquisition described in section ___(3)(A).

(B) STATES WITH RESTRICTIONS.—If, on the date of enactment of this Act, a State has in effect a law that prohibits the State from making the loans described in subparagraph (A)(i), the State, in consultation with the State educational agency, may use the funds described in subparagraph (A) to support the programs described in subparagraph (A)(ii).

(2) REQUESTS.—The Governor of each State desiring assistance under this Act shall submit a request to the Secretary of the Treasury at such time and in such manner as the Secretary of the Treasury may require.

(b) REPAYMENT.—

(1) IN GENERAL.—Subject to paragraph (2), a State that uses funds made available under section ___(b) to make a loan or support a State-administered program under subsection (a)(1) shall repay to the stabilization fund the amount of the loan or support, plus interest, at an annual rate of 4.5 percent. A State shall not be required to begin making such repayment until the year immediately following the 15th year for which the State is eligible to receive annual distributions from the fund (which shall be the final year for which the State shall be eligible for such a distribution under this subtitle). The amount of such loan or support shall be fully repaid during the 10-year period beginning on the expiration of the eligibility of the State under this subtitle.

(2) EXCEPTIONS.—

(A) IN GENERAL.—The interest on the amount made available to a State under section ___(b) shall not accrue, prior to January 1, 2007, unless the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) for any fiscal year prior to fiscal year 2007 is sufficient to fully fund such part for the fiscal year at the originally promised level, which promised level would provide to each State 40 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State.

(B) APPLICABLE INTEREST RATE.—Effective January 1, 2007, the applicable interest rate that will apply to an amount made available to a State under section ___(b) shall be—

(i) 0 percent with respect to years in which the amount appropriated to carry out part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) is not sufficient to provide to each State at least 20 percent of the average per-pupil expenditure for providing special education and related services for each child with a disability in the State;

(ii) 2.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 30 percent of such average per-pupil expenditure;

(iii) 3.5 percent with respect to years in which the amount described in clause (i) is not sufficient to provide to each State at least 40 percent of such average per-pupil expenditure; and

(iv) 4.5 percent with respect to years in which the amount described in clause (i) is sufficient to provide to each State at least 40 percent of such average per-pupil expenditure.

(c) FEDERAL RESPONSIBILITIES.—The Secretary of the Treasury and the Secretary of Education—

(1) jointly shall be responsible for ensuring that funds provided under this subtitle are properly distributed;

(2) shall ensure that funds provided under this subtitle are used only to pay for—

(A) the interest on qualified school construction bonds; or

(B) a cost described in subsection (a)(1)(A)(ii); and

(3) shall not have authority to approve or disapprove school construction plans assisted pursuant to this subtitle, except to ensure that funds made available under this subtitle are used only to supplement, and not supplant, the amount of school construction, rehabilitation, and repair, and acquisition of land for school facilities, in the State that would have occurred in the absence of such funds.

[SEC. ___. AMOUNTS AVAILABLE TO EACH STATE.

(a) RESERVATION FOR INDIANS.—

(1) IN GENERAL.—From $7,000,000,000 of the funds in the stabilization fund, the Secretary of the Treasury shall make available $100,000,000 to provide assistance to Indian tribes.

(2) USE OF FUNDS.—An Indian tribe that receives assistance under paragraph (1)—

(A) shall use not less than 50 percent of the assistance for a loan to enable the Indian tribe to make annual interest payments on qualified school construction bonds, in accordance with the requirements of this Act that the Secretary of the Treasury determines to be appropriate; and

(B) may use not more than 50 percent of the assistance to support tribal revolving fund programs or other tribal-administered programs that assist tribal governments in paying for the cost of construction, rehabilitation, repair, or acquisition described in

section 3(5)(A), in accordance with the requirements of this Act that the Secretary of the Treasury determines to be appropriate.

(b) AMOUNTS AVAILABLE.—

(1) IN GENERAL.—Subject to paragraph (3) and from $7,000,000,000 of the funds in the stabilization fund that are not reserved under subsection (a), the Secretary of the Treasury shall make available to each State submitting a request under section 4(a)(2) an amount that bears the same relation to such remainder as the amount the State received under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.) for fiscal year 2001 bears to the amount received by all States under such part for such year.

(2) DISBURSAL.—The Secretary of the Treasury shall disburse the amount made available to a State under paragraph (1) or (3), on an annual basis, during the period beginning on October 1, 2001, and ending September 30, 2018.

(3) SMALL STATE MINIMUM.—

(A) MINIMUM.—No State shall receive an amount under paragraph (1) that is less than $30,000,000.

(B) STATES.—In this paragraph, the term ''State'' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(c) NOTIFICATION.—The Secretary of the Treasury and the Secretary of Education jointly shall notify each State of the amount of funds the State may receive for loans and other support under this Act.]

Subtitle D—Grants

SEC. ___. GRANT PROGRAM.

(a) AUTHORITY TO AWARD GRANTS TO CONSTRUCT PUBLICLY OWNED EDUCATION FACILITIES.—

(1) IN GENERAL.—The Secretary of Education (in this section referred to as the ''Secretary'') is authorized to make grants, pursuant to this section, for the construction, including erection, building, acquisition, alteration, remodeling, improvement, or extension, of a public school facility (within the meaning of section ___(b)(1) of this Act).

(2) APPLICATION REQUIREMENTS.—The Secretary shall make the following prerequisite determinations when considering approval of an application for a grant under this section:

(A) That the proposed facilities plan is the most economical and cost-effective to meet the requirements of this section, including, but not limited to, construction costs, operation, maintenance, and replacement costs.

(B) As appropriate, that the proposed facilities plan will take into account and allow to the extent practicable, future accommodations for any necessary alteration, remodeling, improvement, or extension to meet the State established education standards, including the nature, extent, timing, and costs of future expansion and the manner in which the local educational agency intends to finance such future construction.

(b) STATE ELIGIBILITY.—

(1) IN GENERAL.—A State shall be deemed an eligible State in which local educational agencies may receive grants under this section if the State is meeting its obligation toward school construction financing. The State shall demonstrate that it has an operational plan to meet such an obligation.

(2) RULE OF CONSTRUCTION.—In the case of a State with a school financing law separate from the State's education facilities capital construction plan, nothing in paragraph (2) shall be construed as affecting the application of such financing law or the eligibility of such a State to receive a grant under this section.

(c) APPLICATION REQUIREMENTS.—Not later than December 1 of the school year for which a grant is being requested under this section, a local educational agency shall submit to the Secretary an application for a facilities grant, which has been approved by the local school board, only upon meeting the following criteria:

(1) The school—

(A) due to the lack of onsite facilities and for the purposes of regular curriculum delivery, houses students in instructional facilities located away from the school site (such as in rented space, trailers, or other public or community property); or

(B) facilities fail to meet functional (including environmental and code) requirements, resulting in a consistent substandard performance and would require extensive corrective maintenance and repair, of a financial threshold that exceeds the school's bonding or levy authority by at least 150 percent.

(2) The school's facilities features are limited to roofs, framing, floors, foundation, exterior walls, windows, doors, interior finishes, plumbing, heating, ventilation and air conditioning, electrical power, electrical lighting, life safety codes or technology infrastructure, limited to, telephone lines, conduits or raceways for computer network cables, fiber optic cable, electrical wiring for communications technology and electrical power for communications technology.

(3) The estimate for all costs in the proposal are based on facilities inspections and assessments made in the most recent 2 years.

(4) The school's facilities fall within a State's statewide needs assessment as inadequate for education or safety reasons, if such a State assessment is in place.

(5) The proposal meets all applicable Federal, State, and local building code requirements.

(6) The proposal includes a certified accounting, to be compliant with all State and local privacy requirements, of the number of children at each grade level and the number of children expected to be served through alternative special needs education facilities, as required by Federal, State, and local law, if the proposal includes such a request.

(d) ALLOWABLE USES OF FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), a grant made to a local educational agency under this section shall only be used for the following:

(A) School facility construction, including erection, building, acquisition, alteration, remodeling, improvement, or extension, but excluding facilities that are not consistently used for regular curriculum delivery and instructional purposes.

(B) Major renovation or repair of existing school facilities, excluding normal and regular building operation, maintenance and repair expenses.

(2) COMPLIANCE WITH STATE AND LOCAL STANDARDS.—Grants awarded under this section for facility construction proposals that fall within State or local minimum and maximum building standards, as established by State or local law, rule, or regulation, which are more limited than the allowable uses under this subsection, shall be compliant with such State and local standards.

(e) FEDERAL SHARE.—The Federal funds provided to a local educational agency under this section shall not exceed 50 percent of the total cost of the facility construction proposal. A local educational agency may use in-kind contributions to meet the matching requirement of the preceding sentence.

(f) PROGRESS REPORTS.—The Secretary shall require an entity receiving a grant under this section to submit quarterly progress reports to ensure compliance with this section and to evaluate the impact of activities assisted under this section.

Subtitle E—Authorization of Appropriations

(a) IN GENERAL.—For the purposes of this title and subject to subsection (b), there are authorized to be appropriated $21 billion for fiscal year 2001 through FY 2008, to be equally divided between Subtitle B, Subtitle C, and Subtitle D.

(b) LIMITATION.—No funds may be expended under this title until the Federal obligation is met for the construction of federally impacted schools and Indian schools.

SA 645. Mr. CONRAD submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

At the end of title II, add the following:

SEC. 203. PROFESSIONAL DEVELOPMENT.

Section 3141(b)(2)(A) (20 U.S.C. 6861(b)(2)(A)) is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii)(V), by adding ''and'' after the semicolon; and

(3) by adding at the end the following:

''(iii) the provision of incentives, including bonus payments, to recognized educators who achieve the National Education Technology Standards, or an information technology certification that is directly related to the curriculum or content area in which the teacher provides instruction;''.

SA 646. Mr. EDWARDS submitted an amendment intended to be proposed by him to the bill S. 1, to extend programs and activities under the Elementary and Secondary Education Act of 1965; which was ordered to lie on the table; as follows:

On page 679, after line 25, add the following:

''(6) support for arrangements that provide for independent analysis to measure and report on school district achievement.''.

SA 647. Mr. HATCH proposed an amendment to the bill H.R. 428, concerning the participation of Taiwan in the World Health Organization; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. CONCERNING THE PARTICIPATION OF TAIWAN IN THE WORLD HEALTH ORGANIZATION (WHO).

(a) FINDINGS.—The Congress makes the following findings:

(1) Good health is important to every citizen of the world and access to the highest standards of health information and services is necessary to improve the public health.

(2) Direct and unobstructed participation in international health cooperation forums and programs is beneficial for all parts of the world, especially with today's greater potential for the cross-border spread of various infectious diseases such as the human immunodeficiency virus (HIV), tuberculosis, and malaria.

(3) Taiwan's population of 23,500,000 people is larger than that of ¾ of the member states already in the World Health Organization (WHO).

(4) Taiwan's achievements in the field of health are substantial, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, the eradication of such infectious diseases as cholera, smallpox, and the plague, and the first to eradicate polio and provide children with hepatitis B vaccinations.

(5) The United States Centers for Disease Control and Prevention and its Taiwan counterpart agencies have enjoyed close collaboration on a wide range of public health issues.

(6) In recent years Taiwan has expressed a willingness to assist financially and technically in international aid and health activities supported by the WHO.

(7) On January 14, 2001, an earthquake, registering between 7.6 and 7.9 on the Richter scale, struck El Salvador. In response, the Taiwanese government sent 2 rescue teams, consisting of 90 individuals specializing in firefighting, medicine, and civil engineering. The Taiwanese Ministry of Foreign Affairs also donated $200,000 in relief aid to the Salvadoran Government.

(8) The World Health Assembly has allowed observers to participate in the activities of the organization, including the Palestine Liberation Organization in 1974, the Order of Malta, and the Holy See in the early 1950's.

(9) The United States, in the 1994 Taiwan Policy Review, declared its intention to support Taiwan's participation in appropriate international organizations.

(10) Public Law 106–137 required the Secretary of State to submit a report to the Congress on efforts by the executive branch to support Taiwan's participation in international organizations, in particular the WHO.

(11) In light of all benefits that Taiwan's participation in the WHO can bring to the state of health not only in Taiwan, but also regionally and globally, Taiwan and its 23,500,000 people should have appropriate and meaningful participation in the WHO.

(b) PLAN.—The Secretary of State is authorized—

(1) to initiate a United States plan to endorse and obtain observer status for Taiwan at the annual week-long summit of the World Health Assembly in May 2001 in Geneva, Switzerland; and

(2) to instruct the United States delegation to Geneva to implement that plan.

(c) REPORT.—Not later than 14 days after the date of the enactment of this Act, the Secretary of State shall submit a written report to the Congress in unclassified form containing the plan authorized under subsection (b).

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Wednesday, May 16, 2001, at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to consider the nominations of J. Steven Griles to be the Deputy Secretary of Interior, Lee Sarah Liberman Otis to be the General Counsel for the Department of Energy, Jessie Hill Roberson to be the Assistant Secretary for Environmental Management of the Department of Energy, Nora Mead Brownell to be a Commissioner of the Federal Energy Regulation Commission, and Patrick Henry Wood III to be a Commissioner of the Federal Energy Regulation Commission.

For further information, please contact David Dye of the Committee staff at (202) 224–0624.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Wednesday, May 9, 2001. The purpose of this hearing will be to consider nominations for positions at the Department of Agriculture.

THE PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Wednesday, May 9 at 9:30 a.m. to conduct a hearing. The committee will consider the nominations of Francis S. Blake to be the Deputy Secretary of the Department of Energy, Robert Gordon Card to be the Under Secretary of the Department of Energy, Bruce Marshall Carnes to be the Chief Financial Officer for the Department of Energy, and David Garman to be the Assistant Secretary for Energy Efficiency and Renewable Energy for the Department of Energy.

THE PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Wednesday, May 9, 2001 at 10:00 a.m. for an oversight hearing on Federal election practices and procedures.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on Wednesday, May 9, 2001, at 10:00 a.m., in Dirksen 226.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 9, 2001 at 2:00 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FISHERIES, WILDLIFE, AND DRINKING WATER

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Subcommittee on Fisheries, Wildlife, and Drinking Water be authorized to meet on Wednesday, May 9, 2001, at 9:30 a.m., to evaluate the listing and de-listing processes of the Endangered Species Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SURFACE TRANSPORTATION AND MERCHANT MARINE

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Subcommittee on Surface Transportation and Merchant Marine of the Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, May 9, 2001, at 9:30 a.m., on state of the rail industry.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. ENZI. Mr. President, I ask unanimous consent that Amanda Farrish from my staff on the Health, Education, Labor, and Pensions Committee be granted the privilege of the floor for the remainder of this debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, MAY 10, 2001

Mr. ENSIGN. I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. on Thursday, May 10. I further ask consent that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and that the Senate then resume consideration of the conference report to accompany the budget resolution as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ENSIGN. For the information of all Senators, there will be up to 1 hour 50 minutes of debate remaining on the budget conference report tomorrow morning. It is expected that some time on the resolution will be yielded back, and therefore the vote is expected to occur between 11 and 11:30 tomorrow morning. After the disposition of the budget conference report, the Senate