

From: <Sandra_Cook@ed.gov>
To: <skress@akingump.com>; "Sarah E. Youssef (CN=Sarah E. Youssef/OU=OPD/O=EOP [OPD])"; "Nina Rees (CN=Nina Rees/OU=OVP/O=EOP [OVP])"; <Thomas_Corwin@ed.gov>; <Lonna_Jones@ed.gov>; <Paul_Riddle@ed.gov>; <Jack_Kristy@ed.gov>; <Kay_Rigling@ed.gov>; <Sue_Betka@ed.gov>; <Carol_Cichowski@ed.gov>; <Clayton_Boothby@ed.gov>; <Cynthia_Wetmore@ed.gov>; <Jack_McGrath@ed.gov>; <Heidi_Bonner@ed.gov>; <Kae_Rairdin@ed.gov>; <Sandra_Jeon@ed.gov>
Subject: : FW: HR 1 summary
Date: Wednesday, March 21, 2001 4:55 PM

Begin Original ARMS Header

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR:"Cook, Sandra" <Sandra_Cook@ed.gov> ("Cook, Sandra" <Sandra_Cook@ed.gov> [UNKNOWN])

CREATION DATE/TIME:21-MAR-2001 16:55:18.00

SUBJECT:: FW: HR 1 summary

TO:'Sandy Kress' <skress@akingump.com> ('Sandy Kress' <skress@akingump.com> [UNKNOWN])

READ:UNKNOWN

TO:Sarah E. Youssef (CN=Sarah E. Youssef/OU=OPD/O=EOP [OPD])

READ:UNKNOWN

TO:Nina Rees (CN=Nina Rees/OU=OVP/O=EOP [OVP])

READ:UNKNOWN

TO:"Corwin, Thomas" <Thomas_Corwin@ed.gov> ("Corwin, Thomas" <Thomas_Corwin@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Jones, Lonna" <Lonna_Jones@ed.gov> ("Jones, Lonna" <Lonna_Jones@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Riddle, Paul" <Paul_Riddle@ed.gov> ("Riddle, Paul" <Paul_Riddle@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Kristy, Jack" <Jack_Kristy@ed.gov> ("Kristy, Jack" <Jack_Kristy@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Rigling, Kay" <Kay_Rigling@ed.gov> ("Rigling, Kay" <Kay_Rigling@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Betka, Sue" <Sue_Betka@ed.gov> ("Betka, Sue" <Sue_Betka@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Cichowski, Carol" <Carol_Cichowski@ed.gov> ("Cichowski, Carol" <Carol_Cichowski@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Boothby, Clayton" <Clayton_Boothby@ed.gov> ("Boothby, Clayton" <Clayton_Boothby@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Wetmore, Cynthia" <Cynthia_Wetmore@ed.gov> ("Wetmore, Cynthia" <Cynthia_Wetmore@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"McGrath, Jack" <Jack_McGrath@ed.gov> ("McGrath, Jack" <Jack_McGrath@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Bonner, Heidi" <Heidi_Bonner@ed.gov> ("Bonner, Heidi" <Heidi_Bonner@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Rairdin, Kae" <Kae_Rairdin@ed.gov> ("Rairdin, Kae" <Kae_Rairdin@ed.gov> [UNKNOWN])

READ:UNKNOWN

TO:"Jeon, Sandra" <Sandra_Jeon@ed.gov> ("Jeon, Sandra" <Sandra_Jeon@ed.gov> [UNKNOWN])

READ:UNKNOWN

End Original ARMS Header

FYI I will send the final version tomorrow. There is a press conference

tomorrow at 1 p.m. in 2175, and we will get all the documents.

-----Original Message-----

From: Wolfe, Christine [mailto:Christine.Wolfe@mail.house.gov]

Sent: Wednesday, March 21, 2001 4:29 PM

To: Sandra Cook (E-mail)

Subject: FW: HR 1 summary

please bear in mind that this is a staff draft and has not been 100% updated

yet to reflect the introduced bill tomorrow -Christy

- att1.htm - Summary of H.R. 1.doc

ATT CREATION TIME/DATE: 0 00:00:00.00

File attachment <P_ODM71004_OPD.TXT_1>

ATT CREATION TIME/DATE: 0 00:00:00.00

File attachment <P_ODM71004_OPD.TXT_2>

**The following document is attachment
P_ODM71004_OPD.TXT_1**

FYI I will send the final version tomorrow. There is a press conference tomorrow at 1 p.m. in 2175, and we will get all the documents.

-----Original Message-----

From: Wolfe, Christine [mailto:Christine.Wolfe@mail.house.gov]

Sent: Wednesday, March 21, 2001 4:29 PM

To: Sandra Cook (E-mail)

Subject: FW: HR 1 summary

please bear in mind that this is a staff draft and has not been 100% updated yet to reflect the introduced bill tomorrow -Christy

**The following document is attachment
P_ODM71004_OPD.TXT_2**

STAFF DRAFT

STAFF DRAFT

STAFF DRAFT

H.R. 1, No Child Left Behind

(Updated: 12/20/12 12:12 PM)

SUMMARY

Education is priority one for the President, priority one for our Committee, and priority one for the American people. Consequently, H.R. 1 has been drafted to reflect the President's priorities, as well as the priorities of this Committee and the American people.

H.R. 1 contains the President's education proposals for elementary and secondary education, as well as a comprehensive reauthorization of the Elementary and Secondary Education Act of 1965 (ESEA). It significantly consolidates the scores of programs currently in ESEA and creates new flexibility options for states with Straight A's and flexibility to transfer funds between programs at the local level. It expands school choice and strengthens accountability for improving achievement with annual assessments, rewards and sanctions. In short, it transforms the federal role in education to put the needs of students first.

Title I, Part A – Improving Academic Performance of the Disadvantaged

Title I, Part A is the largest program of ESEA and is funded at \$8.6 billion for FY 2001. The program authorizes federal aid to state and local educational agencies for helping educationally disadvantaged children achieve to the same high state performance standards as all other students.

- Annual Assessments for Every Child in Grades 3-8 – Annual reading and math assessments will provide parents with the information they need to know how well their child is doing in school, and how well the school is educating their child. States may select and design assessments of their choosing; however, the only requirement would be that the results in student achievement must be comparable from year to year. States will have three years to develop and implement these assessments. Federal funds authorized for this purpose will cover the cost of developing these assessments.
- Adequate Yearly Progress for Disadvantaged Students – Under current law, districts must determine whether each Title I school is making adequate yearly progress based on whether its students are meeting state content and achievement standards. The status quo does not ensure, however, that disadvantaged students within each school make progress. Under H.R. 1, a state's definition of adequate yearly progress must apply specifically to disadvantaged students, as well as the overall student population. This expectation will serve to hold schools and districts accountable for improving the performance of disadvantaged students and to help educators, parents, and others discern whether achievement gaps are closing.
- Resources for Turning Around Low Performing Schools – H.R. 1 increases the current 0.5 percent set-aside of a states total Title I allocation for school improvement activities to 3.5 percent, increasing to 5 percent for FY 2004-2006. These funds will augment state and local efforts to provide capacity building and technical assistance to schools identified as needing improvement. State technical assistance provided with these funds must be based on scientifically based research.

- Corrective Action for Low-Performing Schools and Districts – Schools that have not made adequate yearly progress for one academic year will be identified by the district or state as needing improvement.
 - Immediately after identification, these schools will receive technical assistance to improve performance and to develop a two-year plan to turn around the school. The school district may take additional corrective actions, such as revising the curriculum or restructuring staff.
 - If the identified school still has not met adequate yearly progress after two years, the district must implement certain corrective actions to improve the school, such as replacing certain staff, as well as offer public school choice to all students in the failing school. Title I funds may be used for transportation costs.
 - A school that fails to improve after three years would be subject to significant penalties such as reconstitution, state takeover, the hiring of a private management contractor, converting to a charter school, or significant staff restructuring. In addition, disadvantaged students within the school may use their pro-rata share of Title I funds to transfer to a higher performing public or private school, or receive supplemental educational services from a provider of choice. All non-public providers receiving federal money will be subject to appropriate standards of accountability.
 - Students may continue to attend a school of choice for the duration of the time they would have attended the failing school. Choice options must continue to be offered until two years after the school is no longer identified as being in need of improvement.
 - There will be an appropriate transition period for schools that have already been identified as needing improvement under current law.
- Rewards – Up to 30 percent of any increase in Title I funding may be set aside by states to provide rewards to schools (and teachers in such schools) that substantially close the achievement gap between the lowest and highest performing students and that have made outstanding yearly progress for two consecutive years.
- State Report Cards – In order to hold schools accountable for improving the performance of all students, state assessment results would be reported to the public disaggregated by major subgroups of students. The information on the report card would be for public schools in the aggregate for the following categories: student achievement on state assessments, by subgroup; comparison of students at basic, proficient, and advanced levels of performance on state assessments; graduation rates; completion of Advanced Placement courses and passing AP tests; professional qualifications of teachers; and percentages of students not tested.
- School District Report Cards – School districts would prepare annual reports for parents and the public on the academic performance of schools in the aggregate in the school district and by school. The school district report cards would include information on: the numbers and percentages of schools identified within the school district as in “school improvement” (low performing) under Title I; in the case of an individual school, whether it has been identified for school improvement and how its students performed on the state assessment compared to

the school district and state as a whole; comparisons of students at basic, proficient, and advanced levels of performance on state assessments; graduation rates; completion of Advanced Placement courses and passing AP tests; professional qualifications of teachers; and percentages of students not tested.

- Testing of Students in English – Students who have attended school in the United States for at least three consecutive years would be tested in reading and language arts in the English language.
- Parental Consent for Bilingual Education – Local educational agencies would be required to obtain parental consent prior to placing children in an instructional program that is not taught primarily in English.
- Paraprofessionals (Teachers' Aides) – Under current law, teachers' aides funded under Title I must, at a minimum, obtain a high school diploma or GED within two years of employment as an aide. The bill would require, not later than three years after enactment, all teachers' aides to have: (1) completed at least two years of study at an institution of higher education; (2) obtained an associate's or higher degree; or (3) met a rigorous standard of quality established at the local level, which includes an assessment of math, reading and writing. Also, H.R. 1 would freeze the number of paraprofessionals at their current levels, with limited exceptions.
- Flexibility to address needs of elementary schools – School districts would continue to rank and serve schools in school districts according to poverty (from highest to lowest) but school districts would be permitted to give priority to elementary schools.
- Schoolwide poverty threshold – The 50 percent poverty requirement for eligibility to have a schoolwide program (where services are made available to the entire school and where the school may combine various federal funds with state and local funds to serve the entire school) is lowered from 50 percent to 40 percent poverty. This will permit more flexibility at the local level in implementing schoolwide programs.
- Schoolwide programs are relieved of separate fiscal accounting provisions – The bill makes clear that schoolwide programs are not required to maintain separate fiscal accounting records when they combine federal education funds with state and local funds.
- Science Assessments – States must develop science standards by 2005 and have assessments in science in three grades (between 3-5, 6-9, 10-12) by the 2007-2008 school year.
- Formulas – No changes are made to the formulas. However, a hold harmless would be applied to the basic and concentration grants. The education finance incentive grant, which has never been funded, is repealed.
- Consultation with private schools strengthened – The provisions requiring school districts to have timely and meaningful consultations with private school officials in determining the scope of Title I services to be provided to private school children are significantly strengthened.

- Bypass for private schools – In determining whether to grant a bypass of the local educational agency, the Secretary may consider one or more factors, including the quality, size, scope and location of the Title I program and the opportunity of eligible children to participate.
- 1% set-aside for state administration. The current one percent set-aside for state administration would continue to apply to appropriations that at least equal the FY 2001 level (\$8.6 billion). The set aside would not apply to any increases above that level. A separate line item authorization would be included for additional administrative expenses, and subject to appropriations.

Title I, Part B – Early Reading First / Reading First

President Bush has made the improvement of reading instruction a top priority. Too many of our most needy students are being left behind because they cannot read. Nearly 70 percent of inner city fourth graders are unable to read a simple children’s book. The President’s Reading First and Early Reading First initiatives give states both the funds and the tools they need to eliminate the reading deficit. If children are taught at an early age to read with comprehension they are less likely to be in remedial “pull out” programs simply because they haven’t been taught to read. The President’s Reading First and Early Reading First initiatives cannot only lead to tremendous savings in human capital, but they can save billions of dollars that can be applied to other pressing educational issues within states and local school districts.

Subpart 1 – Early Reading First/Reading First

Early Reading First is a new competitive grant initiative that will provide \$75 million over five years to enhance reading readiness for children in high poverty areas, and where there are high numbers of students who are not reading at grade level. Early Reading First is targeted towards children ages three through five, and would support the development of verbal skills, phonemic awareness, pre-reading development and assistance for professional development for teachers in evidence-based strategies of instruction. This initiative is designed to provide the critical early identification and early reading interventions necessary to prevent reading failure among our nation’s children and to ensure that all children are skilled readers by the end of third grade.

Reading First is a new program that would authorize the expenditure of \$5 billion over five years to provide assistance to states and local educational agencies in establishing scientific research-based reading programs for all children in kindergarten through grade three. It would provide the necessary professional development and other supports to ensure that teachers can identify children at-risk for reading failure and provide the most effective early instruction to overcome specific barriers to reading proficiency.

- State Allocations – 75 percent of the funds would go to states under a poverty based formula. The remaining 25 percent would be made available for supplemental grants during the first two years of the program and would thereafter go toward performance grants to states having the greatest success upon implementation of Reading First.

- State Use of Funds – States may use up to 15 percent of the funds to develop and implement a program of professional development for teachers of grades K-3 if they choose to do so. If a state does not provide professional development to assist LEAs, 93 percent of federal Reading First funds shall be distributed to LEAs for the implementation of Reading First. Not more than 5 percent of the total state grant may be used for providing local educational agencies with assistance in designing and implementing their local Reading First program and for providing opportunities to students in K-3 to receive reading assistance from an alternative provider selected by the student’s parents. In addition, states may use up to 2 percent of their grant for planning, administration, and reporting. The remaining amounts are to be distributed to LEAs as described below. Each state receiving funds must also provide an annual report providing evidence that the state is effectively carrying out the Reading First program.
- Within-State Allocations – States must distribute at least 78 percent of their funds to local educational agencies through a competitive process (or 93 percent if the state does not fund statewide professional development programs). In doing so, states must give a priority to high poverty areas in which there are a high percentage of students in grades K-3 reading below grade level. In addition, LEAs are required to target funds within the district to schools with high percentages of students qualifying for Title I, or that have a high percentage of K-3 students reading below grade level, and are also identified for school improvement under Title I.
- Supplemental / Performance Grants – States receiving supplemental grants or performance grants must distribute such funds through a competitive process to LEAs. With respect to supplemental grants, such process may be based upon criteria the state considers appropriate and consistent with the Reading First program. With respect to performance grants, such process is based primarily upon the success of the local educational agency in implementing a Reading First program. In both cases, the funds may be used for carrying out local reading activities described below.
- Local Uses of Funds – Funds under Reading First are to be used toward several key activities. In general, this includes programs designed to identify students having difficulty reading and providing such students scientifically based reading instruction. Such activities also include professional development for teachers in grades K-3 to prepare them in all the essential components of reading instruction and using rigorous diagnostic reading assessments to determine what students may be at risk of reading failure. In addition, Reading First programs promote expanded access to engaging reading material, provide reading instruction based upon scientifically based research, and use the essential components of reading instruction and the collection and reporting of aggregated data to determine the effectiveness of local Reading First programs.
- National Activities – Funds are provided to the Secretary to evaluate the program, provide assistance to states and local educational agencies requesting assistance in carrying out their Reading First program, and disseminate information regarding Reading First projects that have been proven effective.

Subpart 2 – Even Start

Even Start – The Even Start Family Literacy Program was reauthorized during the 106th Congress. The major focus of the reauthorization measure was to improve the quality of Even Start programs, which provide literacy services to parents and their children in order to break cycles of illiteracy. This was accomplished by requiring Even Start projects to use instructional programs based on scientifically based research on reading, establishing qualifications for program instructors, tying local program objectives to state indicators of program quality, strengthening evaluation of local programs and its use in program improvement, and authorizing research to find the most effective way of improving literacy among adults with reading difficulties. It becomes Subpart 2 of Part B of Title I. It is authorized through 2006.

Title I, Part C – Education of Migrant Students

The federal migrant education program assists migrant children to help them overcome the problems associated with multiple moves, which prevent them from performing well in school. H.R. 1 makes the following changes:

- State Allocations – Revises the formula to implement an actual student count (currently funded based on full time equivalents (FTEs)). A hold harmless is included for the 2002 school year. Only new funds will go out based on the new formula.
- Needs Assessment/Authorized Activities – Eliminates the comprehensive plan section and replaces with a streamlined section on authorized activities that provides state educational agencies (SEAs) with the flexibility to determine the activities to be provided with funds under this part.
- Coordination – Requires the administration to assist states in developing effective methods for the transfer of student records within and among states. It requires the administration, working with the states, to determine a common set of data elements that must be collected and maintained. The Secretary is to assist states to implement a system of linking their student record transfer systems for the purpose of electronic records maintenance and transfer.

Title I, Part D – Prevention and Intervention Programs for Children and Youth Who are Neglected and Delinquent

This program provides formula grants to states for neglected and delinquent children being educated in state agency programs for children and youth in institutions or community day programs for neglected or delinquent children and in adult correctional facilities. There is also a program for local educational agencies (LEAs), funded with allocations diverted from the Title I, Part A program for districts with high numbers or percentages of children in locally operated correctional facilities.

- Subpart 1 (State Program) – H.R. 1 increases from 10 to 15 percent the amount of funds states are to reserve to provide transition services for children returning from state-operated institutions to local educational agencies.

- Subpart 2 (Local Program) – The bill restructures this section to insure the school component focuses on children returning from facilities for delinquent youth. The bill still permits such programs to serve other at-risk populations, but not to the detriment of delinquent youth in need of assistance.

Title I, Part E – Evaluations

Part E of Title I authorizes the evaluation of Title I. H.R. 1 strengthens requirements for the independent review panel of Title I to ensure that it is more independent and balanced with researchers and practitioners. It also ensures that the next evaluation examines the effects of school choice on the academic achievement of disadvantaged students.

Title I, Part F – Comprehensive School Reform

Comprehensive school reform grants, currently provided through the appropriations process would be authorized through a statutory grant program as a part of Title I. Schools, through their school districts, would compete to receive such grants from the state. Such grants involve reform of the whole school and must employ innovative strategies and proven methods for student learning, teaching and school management that are based on scientifically based research.

Title I, Part G – Rural Education Flexibility and Assistance

H.R. 1 provides rural school districts with increased flexibility and funding to enhance academic achievement and addresses the unique needs of rural school districts that cannot compete for federal education grants because of inadequate resources. Specifically, H.R. 1 will address the different needs of (1) small, rural school districts and (2) low-income, rural school districts.

Subpart 1 – Small and Rural School Program

Under this subpart, an LEA would be able to combine funding under various formula grant programs to support local or statewide education reform efforts intended to improve the academic achievement of elementary and secondary school students and the quality of instruction provided for these students. Specifically, an LEA would be eligible for funding under this subpart if:

- The total number of students in average daily attendance at all of the schools served by the LEA is less than 600; and
- All of the schools served by the LEA are designated with a School Locale Code of 6, 7, or 8, as determined by the Secretary of Education (the School Locale Code is used to determine whether a school is located in a rural area).

Grants under this provision would be awarded to eligible LEAs based on the number of students in average daily attendance less the amount they received from formula grant programs. Minimum grants for LEAs would not be less than \$20,000. The maximum an LEA could receive would be \$60,000.

LEAs participating in this initiative would have to meet high accountability standards by demonstrating their ability to meet academic achievement standards under Title I, such as the state's definition of adequate yearly progress. Schools failing to meet these requirements would not be eligible for continued flexibility.

Subpart 2 – Low-Income and Rural School Program

If an LEA did not qualify for funding under Subpart 1, it would be eligible to use the applicable funding under Subpart 2 if the LEA serves:

- A school-age population, 20 percent or more of whom are from families with incomes below the poverty line; and
- All of the schools served by the LEA are designated with a School Locale Code of 6, 7, or 8, as determined by the Secretary of Education (the School Locale Code is used to determine whether a school is located in a rural area).

Funds are allocated among states by formula based on enrollment in eligible districts within those states. States, in turn, allocate funds to eligible districts by a competitive grant process or according to a state-determined formula based on the number of students each eligible LEA serves. Funds awarded to LEAs or made available to schools under this subpart can be used for:

- Educational Technology;
- Professional Development;
- Technical Assistance;
- Teacher Recruitment and Retention;
- Parental Involvement Activities; or
- Academic Enrichment Programs.

Title I, Part H – General Provisions of Title I

This part largely continues current law relating to state rulemaking, the state committee of practitioners and local educational agency cost limitations. Negotiated rulemaking would be provided, at a minimum, on three issues – accountability, implementation of assessments, and use of paraprofessionals.

Title II, Part A – Teacher Quality Training and Recruiting Fund

The purpose of this part is to provide grants to states, LEAs, and eligible partnerships in order to assist their efforts to increase student academic achievement through such strategies as improving teacher quality and increasing the number of highly qualified teachers in the classroom. H.R. 1 consolidates and streamlines the Eisenhower Professional Development program and the Class Size Reduction program to provide states and local schools additional flexibility in the use of these funds, in exchange for increased accountability, as demonstrated by increased student achievement.

- State Funding – Funds are sent to states by formula (50 percent based on population and 50 percent based on poverty). State allotments would have to be equal to funding received under Eisenhower Professional Development and Class Size Reduction. States must send 95 percent of funds to the local level but are authorized to retain five percent of funds for state activities which, among other things, include:
 - Reforming teacher certification, re-certification, or licensure requirements.
 - Carrying out programs that include support during the initial teaching experience, such as mentoring programs, and that establish, expand, or improve alternative routes to state certification of teachers.
 - Developing and implementing effective mechanisms to assist local educational agencies and schools in effectively recruiting and retaining highly qualified and effective teachers and principals.
 - Developing enhanced performance systems to measure the effectiveness of specific professional development programs and strategies.
 - Developing or assisting local educational agencies in developing merit-based performance systems; rigorous assessments for teachers; and strategies that provide differential and bonus pay for teachers in high need subject areas.
- State Formula Distribution of Local Funds – States send funding to the local level by formula and by competitive grant. Eighty-five percent of the funds are sent to local educational agencies by formula (50 percent based on population and 50 percent based on poverty) for local uses of funds that, among other things, include:
 - Initiatives to assist recruitment of principals and fully qualified teachers who will be assigned teaching positions within their field, including providing signing bonuses or other financial incentives for teachers to teach in academic subject areas in which there exists a shortage of such fully qualified teachers.
 - Initiatives to promote retention of highly qualified teachers and principals, particularly within elementary and secondary schools with a high percentage of low-performing students, including programs that provide mentoring to newly hired teachers.
 - Programs and activities that are designed to improve the quality of the teacher force.
 - Teacher opportunity payments. (If localities are unable to provide training of the highest quality and which is based on scientifically based research, teachers would be empowered with the choice of selecting their own high-quality programs through the use of teacher opportunity payments).
 - Professional activities designed to improve the quality of principals.
 - Hiring fully qualified teachers, including teachers fully qualified through state and local alternative routes, in order to reduce class size.
- Competitive Grants for Math and Science Partnerships – States, working in conjunction with State Agencies for Higher Education, must award 15 percent of the funds on a competitive basis to eligible partnerships for math and science programs. Eligible partnerships must include at least: (1) a state educational agency; (2) a mathematics or science department of a private independent or state-supported public institution of higher education; and (3) a local educational agency. In addition, partnerships may include: (1)

another institution of higher education or the teacher training department of such institution; (2) another local educational agency, or elementary or secondary school; (3) a business; or (4) a nonprofit organization of demonstrated effectiveness. In awarding grants under this subpart, states shall give priority to partnerships that include high need local educational agencies.

A recipient of funds provided under this subpart shall use the funds for one or more of the following activities related to elementary or secondary schools:

- Creating opportunities for enhanced and ongoing professional development that improves the subject matter knowledge of mathematics and science teachers.
 - Recruiting mathematics and science majors to teaching.
 - Promoting strong teaching skills for mathematics and science teachers and teacher educators, including integrating reliable research-based teaching methods into the curriculum.
 - Establishing mathematics and science summer workshops or institutes (including follow-up training) for teachers, using curricula that are experiment-oriented, content-based, and grounded in current research.
 - Establishing distance-learning programs for mathematics and science teachers using curricula that are experiment-oriented, content-based, and grounded in current research.
 - Designing programs to prepare a teacher at a school to provide professional development to other teachers at the school and to assist novice teachers at such school.
 - Designing programs to bring teachers into contact with working scientists.
 - Developing or redesigning more rigorous mathematics and science curricula that are aligned with state and local standards and with the standards expected for postsecondary study in mathematics and science, respectively.
- National Activities – H.R. 1 continues and updates the Troops-to-Teachers program. In addition, this subpart authorizes a competitive grant program to measure teacher quality in the classroom.

Title II, Part B – Teacher Liability

This part provides limited civil litigation immunity for teachers, principals, local school board members, superintendents, and other education professionals who engage in reasonable actions to maintain school discipline.

Title III, Part A – English Language Proficiency and Academic Achievement Act (Formerly the Bilingual Education Act)

This provision would consolidate the Bilingual Education Act with the Emergency Immigrant Education Program. Reform of existing law will allow us to focus existing programs on teaching English to limited English proficient children (including immigrant children and youth) and expediting their transition to mainstream education classes. The current Bilingual Education Act awards grants, on a competitive basis, to eligible entities to provide educational services to limited English proficient children. Not less than seventy-five percent of funds are to be used for programs that use a child's native language in instruction. As a result, many children spend needless years of instruction in their native language and never achieve English fluency. Key changes to the Bilingual Education Act are as follows:

- Formula – Funds are provided to states on a formula based on the number of limited English proficient children in their state compared to all other states.
- Parental Rights – Local educational agencies would be required to obtain informed parental consent prior to placing children in an instructional program that is not taught primarily in English. Parents would have the right to choose among instruction programs if more than one type of program is offered. Parents would have the right to immediately remove their child from a program for limited English proficient children.
- Local Flexibility – Eligible entities would be able to choose the method of instruction they would use to teach limited English proficient children. The bill eliminates the current requirement that 75 percent of funding be used to support programs using a child’s native language instruction.
- Accountability – States would be required to monitor the progress of eligible entities in moving children into classrooms not tailored for limited English proficient children (classes taught in English) and remove funding from programs where the majority of children are not making this transition within three years. Eligible entities receiving grant awards would be required to complete an evaluation every year on the progress students are making toward learning English and achieving the same high levels of academic achievement as other students.
- Dollars to the Classroom – Ninety-five percent of funds must be used for grants to eligible entities to teach limited English proficient children.
- Testing – Reading and language arts assessments for children who have attended school in the United States for at least three consecutive years and who participate in a program funded under this act would be in English.
- Sanctions – Allows the Secretary of Education to reduce the amount a state may use for administration if the state fails to meet its performance objectives for limited English proficient children.

Title III, Part B – Native Americans and Alaskan Education Programs

Indian Education Programs within the Department of Education

The purposes of the Department of Education Indian education programs are to provide financial support to reform and improve elementary and secondary school programs that serve Indian students; improve and enrich the quality of education for Indian students; research and evaluate information on the effectiveness of Indian education programs; and improve educational opportunities for adult Indians.

- Maintains Funding – Maintains currently funded programs, at current funding levels.

- Repeals Unfunded Programs – Repeals four unfunded competitive grant programs: Fellowships for Indian students, Gifted and Talented programs, Grants to Tribes for Administrative Planning and Development, and Special Programs Relating to Adult Education.
- Provides Flexibility – Adds a new flexibility provision to allow school districts receiving formula grants for Indian students to combine all federal funds they receive to serve Indian students into a single, more flexible and efficient program for improving Indian student achievement.
- Directs more Money to the Classroom – Limits the use of funds for administrative purposes to five percent.

Indian Education Programs within the Bureau of Indian Affairs (BIA)

Indian education programs within the BIA serve students in BIA funded schools. To be eligible, Indian students must have membership in a federally recognized Tribe or have a minimum of ¼ degree or more Indian blood and be in residence on or near a federal Indian reservation.

- Accreditation – Allows BIA funded schools to get state or regional accreditation, rather than meeting BIA federally imposed education standards.
- Improve and expand educational programs – Allows Tribes to improve and expand educational programs at BIA funded schools using their own resources.
- School Choice – Allows Indian parents the choice of which BIA funded school their children will attend.
- Tribal Authority and Flexibility – Gives Tribes a greater say in repair and maintenance priorities; allows Tribes to contract for training services; increases Tribal authority to pick service providers for purchasing supplies; and gives Tribes and local school boards more flexibility in making school staffing decisions. Requires BIA inspectors to get a second opinion from an independent source (with Tribal input) before fully closing a BIA funded school for health and safety violations.
- Use of Maintenance Funds – Requires BIA to spend all maintenance money at school sites, rather than diverting it to fund administrative activities.

Native Hawaiian Education Programs

Repeals the supplemental educational programs for Native Hawaiians under Title IX, Part B of the Elementary and Secondary Education Act. Schools serving Native Hawaiian students will receive funding for these purposes through other federal programs, including Title I, Even Start, and Special Education. In addition, funding for Native Hawaiian education is available from the Bishop Trust, which exists solely for educating Native Hawaiian children.

Alaska Native Educational Programs

The purposes of these programs are to (1) recognize the unique educational needs of Alaska Natives; (2) develop supplemental educational programs to benefit Alaska Natives; and (3) provide direction and guidance to appropriate federal, state, and local agencies to focus resources on meeting the educational needs of Alaska Natives.

- Consolidation – Consolidates all three competitive grant programs into a single, more flexible and efficient program, funded at the current level.
- Directs more Money to the Classroom – Reduces the limit on use of funds for administrative purposes from 10 percent to five percent.

Title IV – Promoting Informed Parental Choice and Innovative Programs

Title IV, Part A – Innovative Programs

Innovative Education Program Strategies (Title VI under current law) is the only K-12 education block grant program contained within ESEA. It is the only formula program that allows recipients to use funds to benefit any and all student populations, in any and all schools (most federal programs serve an absolute purpose in targeting limited resources toward specific student populations and areas where they are needed most). Under H.R. 1, the purposes of the program are to: (1) provide funding to enable states and local educational agencies to implement promising educational reform programs and school improvement initiatives based on scientifically based research, (2) provide a continuing source of innovation and educational improvement, including support for library services and instructional and media materials, and (3) meet the educational needs of all students, including at risk students.

- State programs – Funds are allocated to SEAs based on the population of children ages 5-17. Not less than 85 percent of funds received by the state must be distributed to LEAs for implementing innovative assistance programs. The remaining 15 percent of funds are reserved for state use. State reserved funds are used to provide technical assistance, direct grants to LEAs, and to carry out statewide education reform activities including support for planning, designing, and initial implementation of charter schools.
- Local innovative education programs – SEAs distribute funds to LEAs based on enrollment in public and participating private nonprofit schools. SEAs may adjust the formula to provide higher per pupil allocations for those LEAs with high concentrations of low-income families. Under current law, funds made available to LEAs are used for innovative assistance including:
 - Technology related to the implementation of school-based reform programs, including professional development to assist teachers and other school officials regarding how to effectively use such equipment and software;
 - Programs for the acquisition and use of instructional and educational materials, including library services and materials (including media materials), assessments, reference materials, computer software and hardware for instructional use, and other curricular materials that are tied to high academic standards, will be used to improve student achievement, and are part of an overall education reform program;
 - Promising education reform projects, including effective schools and magnet schools;

- Programs to improve the higher order thinking skills of disadvantaged elementary and secondary school students and to prevent students from dropping out of school;
 - Programs to combat illiteracy in the student and adult population, including parent illiteracy;
 - Programs to provide for the educational needs of gifted and talented children;
 - Planning, designing, and initial implementation of charter schools; and
 - State assistance for school support and improvements under Title I.
- Additional uses of funds – Title IV, part A of H.R. 1 consolidates 12 separate categorical programs to increase local flexibility and includes language to add more uses of funds to the current list so LEAs can broaden the scope of the program. These new uses include:
 - Professional development activities and the hiring of teachers that give teachers, principals, and administrators the knowledge and skills to provide students with the opportunity to meet challenging state or local content standards and student performance standards.
 - Activities to promote consumer, economic, and personal finance education, such as disseminating and encouraging the best practices for teaching the basic principles of economics and promoting the concept of achieving financial literacy through the teaching of personal financial management skills, including the basic principles involved with earning, spending, saving, and investing.
 - Private school choice (school districts would be able to use funds to provide assistance to disadvantaged students in failing schools in order to attend a private school or receive supplementary educational services from a provider of the parent’s choice).
 - Activities 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; and to foster civic competence and responsibility.
 - Community service programs that use qualified school personnel to train and mobilize young people to measurably strengthen their communities through nonviolence, responsibility, compassion, respect, and moral courage.
 - Expanding and improving school-based mental health services, including early identification, assessment, and direct individual or group counseling services provided to students, parents, and school personnel by qualified school-based mental health services personnel.
 - State retained funds – Under current law, up to 15 percent of Title VI funds are retained – and controlled – at the state level. H.R. 1 includes language to send 100 percent of any new funding for this program over the FY 2001 appropriation to the local level. This change to current law will result in more funds being sent to the school district and classroom levels. In addition, H.R. 1 limits state administrative costs to four percent.
 - Goals 2000 – H.R. 1 deletes all references to the National Education Goals and the Goals 2000: Educate America Act.

Title IV, Part B – Charter Schools

Charter schools are public schools established under state law that are given varying degrees of autonomy from state and local rules and regulations. In exchange for their autonomy,

charter schools are held accountable for meeting the terms of their charters. Under the Public Charter

Schools program, federal charter school dollars are provided only to those states that have a state charter school statute. Since the 105th Congress passed H.R. 2616, “The Charter School Expansion Act of 1998,” which authorizes the public charter school program through FY 2004, only two modifications are made in H.R. 1.

- Non-discriminatory manner – Clarifies that the definition of a charter school is, among other things, a public school that admits students on the basis of a lottery or in another non-discriminatory manner consistent with state law, if more students apply for admission than can be accommodated.
- Authorization – Extends the authorization through FY 2006.

Title IV, Part C – School Choice Demonstration

The new Title IV, Part C would establish an Educational Opportunity Fund to research the effectiveness of school choice programs in improving the academic performance of low income students.

- The Secretary would be authorized to make competitive awards to eligible entities to carry out and evaluate, through contracts or grants, research projects that show promise of effectively demonstrating school choice options and increasing student achievement and overall school and LEA performance.
- Projects must include a scientifically accepted design model and have a rigorous evaluation component.
- Projects would measure the academic performance of participating children and/or the overall performance of public and private schools affected by the project.
- If more students desire to participate than there are positions available, participation would be on a random basis.

Title IV, Part D – Magnet Schools

The Magnet Schools Assistance Program supports magnet schools in local educational agencies that are implementing school desegregation plans. Magnet schools offer special vocational or academic programs designed to attract students from outside the school’s traditional enrollment area. Grantees receive three-year awards, which cannot exceed \$4 million per year.

- Emphasizes Student Achievement – H.R.1 emphasizes a commitment to student achievement by revising the Findings and Applications and Requirements sections and by including professional development as a use of funds.
- Renews Focus on Magnet Schools – The bill renews the program’s focus on magnet schools by eliminating two outdated priorities and by repealing the Innovative Programs. (Any grant

recipient that has an agreement in effect under the Innovative Programs will continue to receive funds through the end of the applicable grant cycle.)

Title V – Safe Schools for the 21st Century

Title V, Part A – Supporting Drug and Violence Prevention and Extending Learning Opportunities

Currently, the Safe and Drug-Free Schools and Communities Act provides grants to states and to national programs to support substance abuse education and violence prevention activities. The 21st Century Community Learning Centers Act provides funds to LEAs to increase students' and communities' access to school building services and to before and after school activities. The Gun Free Schools Act hinges a state's receipt of federal ESEA funds on whether the state has a law requiring LEAs to expel for a year a student who brings a gun to school. State law must allow the chief administering officer of each LEA to modify the one-year expulsion on a case-by-case basis.

- **Consolidates Programs** – Title V, Part A combines the Safe and Drug-Free Schools program and the 21st Century Community Learning Centers Act, and reauthorizes the Gun Free Schools Act. The bill would allow local educational agencies to determine how to allocate funds for drug and violence prevention and before and after school activities.
- **Formula** – Under the consolidated format, funds would be distributed to states based 50 percent on school age population and 50 percent on Title I. The state would then distribute 95 percent of the funds to local educational agencies, of which 70 percent would be distributed based on school age population and 30 percent distributed to those LEAs with the “greatest need.” Of the funds that LEAs receive under the 30 percent need distribution, special consideration would be given to those that incorporate school based mental health services programs. Additionally, of that 30 percent, states must distribute a portion of funds to LEAs that partner with community-based organizations, faith-based organizations, and other public entities and private organizations, to provide before and after school activities.
- **Programs and Activities Funded under the Act** – Current law under both acts is quite flexible in how funds can be spent. In the Safe and Drug-Free Schools program, local school districts can decide whether to fund drug abuse prevention activities or violence prevention activities. Current law, however, is not tightly focused on drug and violence prevention. Activities such as “comprehensive health services” and “service-learning” are also allowable uses of funds. In the 21st Century Community Learning Centers program, LEAs can fund a variety of activities in the school building that serve the community, including after school care. H.R. 1 would combine the Safe and Drug-Free Schools and 21st Century uses of funds and eliminate the questionable activities.
- **Uses of funds** – The proposal would allow the following uses of funds:
 - K-12 comprehensive drug and violence prevention programs.
 - Before and after school activities that advance academic achievement; including
 - Remedial and enrichment education activities;
 - Drug and violence prevention activities;
 - Math and science education activities;

- Arts and music education activities; and
 - Entrepreneurial education activities;
 - Training for school personnel and parents in drug and violence prevention.
 - Community involvement activities for drug and violence prevention.
 - Acquisition of metal detectors and security personnel.
 - Counseling, mentoring, and referral services.
 - Character education.
 - Drug testing and locker searches.
 - Emergency intervention services.
 - School violence hotlines.
 - Systems for transferring suspension and expulsion records.
 - School choice for students in unsafe public schools.
 - Program and activity evaluation.
 - Alternative education programs.
 - Activities to increase student academic achievement.
- Effective Programs and Activities – Current law in both acts does little to promote quality programming. H.R. 1 requires that any program or activity funded under this part meet the “principles of effectiveness,” which require that the program or activity:
 - Be based upon an assessment of objective data about the local drug and violence situation and the need for before and after school activities;
 - Be based upon performance measures established by the LEA;
 - Be based upon “scientifically based research” that provides evidence that the program or activity will be effective (there is a waiver for innovative programs with a likelihood of success); and
 - Be periodically evaluated with the results used to improve the program or activity.
 - School Choice – The proposal would require states to allow for the transfer of students enrolled in persistently dangerous public schools (as defined by the state) to another public school or a private school, if no public school can accommodate the student. The proposal would allow local educational agencies to use funds provided under this subpart for transportation and tuition costs.
 - Parental Consent – A local educational agency would be required to withdraw a student from a program or activity under this part if the parents of the student provide written notification to the LEA. The LEA must make reasonable efforts to inform the parents of the content of programs funded under this part, other than classroom instruction.
 - DARE – While local educational agencies would still be allowed to fund DARE or DARE-type activities, references to DARE or DARE-type activities would be removed.
 - Hate Crimes – H.R. 1 eliminates all references to “hate crimes” and “violence associated with prejudice and intolerance” and repeals the Hate Crimes Prevention Program. It includes religious non-discrimination language that reads, “No funds under this part may be used for activities or programs that discriminate against or denigrate the religious or moral beliefs of students who participate in such activities or programs or of the parents or legal guardians of such students.”

- Involvement of Faith-based Organizations – H.R.1 encourages the involvement of faith-based organizations in providing before and after school activities. Specifically, from the funds dedicated for those local educational agencies with the greatest need for additional services, the proposal requires that states provide a portion to partnerships between local educational agencies and organizations, including faith-based organizations, for before and after school activities.
- Charitable Choice – The proposal contains provisions designed to ensure that all levels of government give consideration to religious organizations, on the same basis as other nongovernmental organizations, in carrying out activities and that such consideration be consistent with the Establishment Clause of the Constitution. These provisions are commonly called “charitable choice.”

The charitable choice language is substantially similar to language that is already a part of current law in the Community Services Block Grant (P. L. 105-285) and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L.104-193).

- School Safety Reports – The proposal would require states to establish statewide requirements for school-by-school crime reports for specified crimes. The public would have access to such reports.
- Gun Free Schools Act – The proposal would retain the Gun Free Schools Act with minor changes. It would eliminate the section that requires the Secretary to disseminate policy guiding the implementation of the act and its connection to IDEA. It would incorporate the act into the Safe and Drug-Free Schools Act. Additionally, it would codify the current practice of exempting home schools from the requirements of the part, by stating, “The term “school” does not include a home school, regardless of whether a home school is treated as a private school under state law.”
- Student Conduct Standards – H.R. 1 would require states to establish state-wide standards for student conduct that clearly allow the classroom teacher to maintain control of the classroom in order for all students to learn.
- Federal Student Discipline Requirements – The proposal would allow school personnel greater discretion in disciplining students with disabilities. It would allow school personnel to discipline, as they would a non-disabled student under regular school policies, a disabled student who brings a weapon to school, who has illegal drugs at school, or who commits an aggravated assault while at school. School personnel may cease providing educational services if they choose to do so and if state law does not require that educational services continue.

Title V, Part B – Enhancing Education Through Technology

Title V, Part B – Enhancing Education Through Technology streamlines duplicative technology programs into a performance-based technology grant program that sends more money to schools. In doing so, it facilitates comprehensive and integrated education technology strategies that target the specific needs of individual schools. It also ensures that schools will not have to submit multiple grant applications and incur the associated administrative burdens to obtain education technology funding.

- Consolidation of Programs – H.R. 1 would consolidate the following current Title III programs under the Elementary and Secondary Education Act: the Challenge Fund, Challenge Grants, Star Schools, Software Development Program, Preparing Tomorrow’s Teachers, Community Technology Centers, the Secretary Leadership Fund, the Middle Schools Teacher Training program, Ready-to Learn Television, and the Telecommunications Demonstration Project for Mathematics. H.R. 1 does not consolidate the “E-rate” program. The consolidated funds would be distributed as follows: 5 percent for the Secretary for evaluations, technical assistance, and programs of national significance and 95 percent for states and localities. States would hold on to 5 percent of their share for state activities such as technical assistance and funding innovative programs. Ninety-five percent of the state funds would be directed to local educational agencies.
- Formula for Federal to State – Funds would be allocated to the states based 50 percent on what the state received under Title I, Part A and 50 percent on the state’s relative population of individuals ages 5 through 17
- Formula for State to Local – Of the total funds going locally, 80 percent would be distributed through a state developed formula targeted toward high need LEAs, while the remaining 20 percent would be competitively distributed by the state. Overall, this represents a significant change from current law, under which the Secretary, through discretionary grants, distributes roughly 45 percent of all technology funds to local school districts and partnerships including schools, higher education institutions, and other education-related entities.
- Uses of Funds – The use of funds under this title are generally targeted for:
 - Increasing access to technology, especially for high-need schools;
 - Improving and expanding teacher professional development in technology; and
 - Promoting innovative state and local initiatives using technology to increase academic achievement.
- Internet Filtering – Continues language that became law last year. Requires recipients of Universal Service Discounts (E-rate) to have in place for the protection of minors, technology to filter or block obscenity, child pornography, and material that is harmful to minors, and in the case of adults, block or filter child pornography and obscenity. For schools or libraries that do not receive Universal Service Discounts (E-rate), if such schools or libraries purchase computers, Internet access or related services with either ESEA technology funds or Museum and Library Services Act funds, they must have in place, for the protection of minors, technology to filter or block obscenity, child pornography, and material that is harmful to minors, and in the case of adults, block or filter child pornography and obscenity. Local officials would have the latitude to disable filtering or blocking technology for bona fide research and other lawful purposes. Funds made available under the ESEA technology program, the innovative strategies block grant and under the Museum and Library Services Act may be used to purchase filtering or blocking software.

Title VI – Impact Aid

During the 106th Congress, the Impact Aid Reauthorization Act of 2000, was enacted as part of the Floyd D. Spence National Defense Authorization Act for fiscal year 2001. Several technical amendments to Impact Aid are included in this legislation. These amendments would:

- Modify the new “hold harmless” formula for distributing funds under Section 8002 (payments for federal acquisition of real property) to address an issue raised after enactment of the Impact Aid Reauthorization Act of 2000. New data received by the department of education indicates that the new formula would not provide the intended equitable distribution of funds. Therefore, the Committee has included a small modification to current law that will ensure that school districts of all sizes receive a fair share of funds under this section. Two additional clarifications regarding eligibility of LEAs for assistance are included.
- Make a minor modification to the section of the formula benefiting small school districts.
- Make technical corrections to the construction provisions of the Impact Aid law to clarify Congressional intent as to which LEAs are eligible due to a lack of bonding capacity.
- Modify language in Section 8009 (equalized states) to clarify that these funds provided to school districts based on their identification as “heavily impacted” (above those funds otherwise received under the basic program) would be exempt from state equalization.
- Extend the filing deadline for a school in Colorado.

Title VII – Freedom and Accountability

The new Title VII of the Elementary and Secondary Education Act will consists of Part A (Accountability), Part B (Straight A’s), Part C (Transferability) and Part D (Character Education).

Title VII, Part A–Accountability

- Rewards – States that make significant progress in academic achievement for students as a whole, for students from low-income families, and for students from major racial and ethnic groups would be honored with awards from the Secretary’s “Achievement in Education” reward fund. The primary indicators of state academic progress will be the state assessments under Title I and a second indicator consisting of the state National Assessment of Educational Progress (NAEP) or another assessment selected by the state. A state would have to produce achievement gains on both tests in order to receive a reward. Other indicators the Secretary may take into consideration include increases in English proficiency, graduation rates, and the state’s progress in increasing the percentages of students who take advanced placement and international baccalaureate courses, as well as passage rates. The purpose of this fund is to reward individual state progress, and does not compare progress between states.

- Sanctions – States that fail to make adequate yearly progress for their disadvantaged students will be subject to losing a portion of their administrative funds. Sanctions will be based on a state’s failure to narrow the achievement gap in meeting adequate yearly progress requirements in math and reading in grades 3 through 8. Administrative funds may also be reduced if the state fails to make adequate yearly progress in the acquisition of English language proficiency by children with limited English proficiency. States would only be sanctioned if states did not make adequate yearly progress on state assessments, and no progress on NAEP or some other assessment selected by the state.
- Other Activities to Promote Achievement – States will receive funds to develop annual assessments, or if a state has developed those assessments and standards, to carry out other activities related to ensuring accountability for results in the state’s schools and local educational agencies. States that have annual assessments for grades 3 through 8 in place prior to the 2004-2005 school year will be eligible to receive a one-time bonus award.

Title VII, Part B – Straight A’s

The purpose of this part is to focus federal resources for education on increasing student performance and narrowing achievement gaps. The Straight A’s concept is similar to the concept of charter schools: grant freedom from regulations and requirements in exchange for accountability for producing results.

- In General – This part would give states and local school districts the option of establishing a five-year performance agreement with the Secretary of Education. If states do not choose this option, they would continue to receive funds under the current categorical program requirements. Local school districts would also have the option of establishing a performance agreement if their state does not participate.
- Under approved agreements, states would be able to combine funds from a few or all of the federal K-12 education programs they administer at the state level and would be freed from most of the requirements of those individual programs. In exchange for this flexibility, participating states would be held to strict accountability requirements for improving student achievement.
- If a state includes Part A of Title I in their agreement, it would have to have a statewide accountability system in place in accordance with Title I. Local school districts would be held harmless: they would continue to receive the same amount in Title I funds that they received the year prior to the enactment of the performance agreement.
- States that do not meet their achievement goals would be required to revert to the categorical, regulated program structure and would be subject to losing a larger portion of their administrative funds than non-Straight A’s states.

Title VII, Part C – Transferability

The purpose of this part is to provide states and local school districts with the flexibility to shift federal dollars to other federal education programs that more effectively address their needs and priorities.

- State transfer authority – States are permitted to transfer up to 100 percent of state activities funds between formula grant programs (i.e. formula grant to the state). State activity funds do not include funds that are to be allocated to local educational agencies, as required by each statute. These formula grant programs are:
 - Title II (Teachers)
 - Title III, Part A (Limited English Proficient)
 - Title IV, Part A (Innovative Strategies)
 - Title V, Part A (Safe Schools)
 - Title V, Part B (technology)
 - Comprehensive School Reform

- Local educational agency transfer authority – Under current law, a local educational agency may transfer up to five percent of unneeded program funds to another federal education program, provided the state gives approval to such transfer. Under the bill, local educational agencies would be permitted to transfer up to 35 percent of funds without the approval of the state. Any amounts above that percentage would require the approval of the state. Applicable programs are:
 - Title II (Teachers)
 - Title III, Part A (Limited English Proficient)
 - Title IV, Part A (Innovative Strategies)
 - Title V, Part A (Safe Schools)
 - Title V, Part B (technology)

- Supplemental funds for Title I – State and local school districts may transfer funds from the above programs into any part of Title I, but no funds can be transferred out of Title I into another program.

Title VII, Part D – Character Education

The Secretary of Education would award grants to state educational agencies, local educational agencies, public and private agencies and organizations, including faith-based organizations, or consortia of such agencies and organizations for the design and implementation of character education programs that can be integrated into state and local content and performance standards for the various academic subjects and incorporated into other educational reform efforts.

Character education programs would be designed at the local level. These programs would contain “elements of character” agreed upon by the agency or organization receiving a grant and would take into account the views of the parents or guardians of the students for which the program is intended. Examples of elements of character education may include: honesty, citizenship, courage, justice, respect, personal responsibility, and trustworthiness.

The program would also authorize American Youth Character Awards.

Title VIII – General Provisions

The new Title VIII (Title XIV under current law) contains general provisions that affect all programs under the ESEA. The general provisions are divided into several parts: Definitions; Flexibility in the Use of Administrative and Other Funds; Coordination of Programs/Consolidated State and Local Plans and Applications; Waivers; Uniform Provisions; and Sense of Congress.

Definitions

- Definitions – Adds several new definitions including “scientifically based research,” “fully qualified” (referring to teachers), and “reading.”

Flexibility in the Use of Administrative and Other Funds

- Increase Flexibility – Expands current law to give states and school districts the freedom to combine administrative funds from all ESEA programs and such other programs as the Secretary may designate.
- Attorneys Fees – Permits local educational agencies and educational service agencies, if they wish, to use up to 20 percent of administrative funds for payment of attorneys fees and related legal services in the defense of any legal action where the claim is that a school or its agent violated the constitutional prohibition against the establishment of religion by permitting, facilitating, or accommodating a student’s religious expression or by permitting, facilitating or accommodating memorials on campus.

Coordination of Programs\Consolidated State and Local Plans and Applications

- Expands Authority for Single Consolidated Plans for States – Expands the authority for states to submit a single consolidated plan or application to include all ESEA programs and such other programs as the Secretary may designate. Under current law, this was limited to only a few programs.
- Expands Authority for Single Consolidated Plans for School Districts – Expands the authority of school districts to submit a single consolidated plan or application to include all ESEA programs.
- Removes Goals 2000 – Removes all Goals 2000 references.
- Streamlines – Streamlines reporting requirements by replacing individual program annual reports with a single consolidated report.

Waivers

- Continues Flexibility – Continues authority of the Secretary to waive burdensome regulations and makes several changes consistent with the Education Flexibility Partnership Act.

Uniform Provisions

- Private Schools – Continues to allow students and staff at private schools to receive services through ESEA programs.
- Consultation with Private Schools – Ensures that educational services must be provided by the school district to private schools in a timely manner and that consultations with private school officials must occur during the design and development stages of the education programs, as well as throughout the implementation phase.
- Prohibition on Federal Curriculum – Prohibits the federal government from controlling, mandating, or directing curriculum. Also prohibits funds from being used by the department of education to endorse, approve, or sanction any curriculum designed for use in elementary or secondary schools.
- Prohibition on Mandatory National Teacher Test or Certification – Prohibits funds from being used to plan, develop, implement, or administer any mandatory national teacher or paraprofessional test or certification.
- Prohibition on Federally Sponsored National Testing – Prohibits ESEA funds from being used to develop, pilot test, field test, implement, administer, or distribute any federally sponsored national test in reading, mathematics, or any other subject, unless specifically and explicitly authorized in law.
- Prohibitions on Uses of ESEA Funds – Prohibits ESEA funds from: (1) being used to distribute obscene materials on school grounds; (2) funding courses or the development or distribution of materials that are designed to promote or encourage sexual activities; (3) being used to operate a program of contraceptive distribution at schools; and (4) funding sex education in schools unless such program is age appropriate and emphasizes abstinence.
- School Prayer – Ensures that voluntary prayer in schools is protected.
- National Database – Includes a rule of construction which clarifies that nothing in the act is to be construed as allowing the development of a national database of personally identifiable information on individuals involved in studies or data collection under the act.
- Home Schools – Continues rule of construction that nothing shall be construed to permit, allow, encourage, or authorize any federal control over home schools.

Sense of Congress on Memorials on Campus

Includes a Sense of Congress that memorial services and memorials on campus to honor any person slain on a school campus are not objectionable.

Sense of Congress on Paperwork Reduction

Includes a Sense of Congress that federal and state educational agencies should reduce the paperwork requirements placed on schools, teachers, principals, and other administrators.

Titles Repealed

The following titles of the Elementary and Secondary Education Act are repealed: Title V, Part B (Women’s Educational Equity Act); Title V, Part C (Assistance to Dropouts); Title IX, Part B (Native Hawaiians); Title X (Programs of National Significance); Title XI (Coordinated Services); Title XII (School Infrastructure).

The following titles of the “Goals 2000: Educate America Act” are repealed: Title II, Part A (National Education Goals Panel); Title II, Part C (Goals Panel Authorization); and Title VI (International Education).

Title IX – Homeless Education

The purpose of this title is to strengthen subchapter VI of the McKinney-Vento Homeless Assistance Act by amending it: (1) to include innovative practices, proven to be effective in helping homeless children and youth enroll, attend, and succeed in school; and (2) to help ensure that all children and youth impacted by the loss of fixed, regular, and adequate housing receive a quality education. Under current law, this program authorizes formula grants to states, based on state allocations for grants to LEAs under ESEA Title I, Part A. Grants must be used to establish an Office of Coordinator of Education of Homeless Children and Youth within each SEA, implement professional development activities for school personnel, and provide each child the opportunity to meet the same state student performance standards that others are expected to meet. H.R. 1 builds upon current law to help ensure that homeless children and youth have full and equal access to high quality education. Specifically, H.R. 1:

Improves students’ access to school

- Requires schools to immediately enroll homeless children and youth, thereby eliminating delays caused by lack of records and other enrollment requirements.
- Requires that a contact person be designated as a liaison for homeless children and youth in every school district, thus ensuring that homeless children are identified, enrolled, and receive equitable access to high quality education and support services.
- Ensures that public notice of the educational rights of homeless children and youth are disseminated in every school district, thus increasing awareness of homeless children’s educational rights.
- Ensures that schools keep children in their school of origin whenever possible and appropriate, except when doing so is contrary to the wishes of the parent or guardian.
- Clarifies that a homeless child’s or youth’s right to attend his school of origin extends for the entire duration of homelessness, and that children who become housed during the academic year may continue their education in their school of origin for the remainder of the academic year.

Strengthens parental choice and involvement

- Requires schools to provide written explanation to parents should disputes arise over school selection or school enrollment, and to refer parents to liaisons to mediate such disputes.
- Requires that homeless parents be provided with meaningful opportunities to participate in the education of their children.
- Prohibits a state receiving funds from segregating a homeless child, either in a separate school or in a separate program within a school, based on that student's status as homeless. This provision contains a grandfather clause that ensures established schools for the homeless do not lose funding.
- Requires the Office of State Coordinator to provide technical assistance, in coordination with local liaisons, to LEAs in order to ensure statewide accountability, compliance, and support.