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Part 1

COMPACT OF FREE ASSOCIATION AMENDMENTS ACT OF 2023

DECEMBER 3, 2024.—Ordered to be printed

Mr. WESTERMAN, from the Committee on Natural Resources, submitted the following

R E P O R T

[To accompany H.J. Res. 96]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the joint resolution (H.J. Res. 96) to approve the 2023 Agreement to Amend the U.S.-FSM Compact, and related agreements, between the Government of the United States of America and the Government of the Federated States of Micronesia, the 2023 Agreement to Amend the U.S.-RMI Compact, and certain related agreements between the Government of the United States of America and the Government of the Republic of the Marshall Islands, and the 2023 U.S.-Palau Compact Review Agreement between the Government of the United States of America and the Government of the Republic of Palau, to appropriate funds to carry out the agreements, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the joint resolution do pass.

PURPOSE OF THE LEGISLATION

The purpose of H.J. Res. 96 is to approve the 2023 Agreement to Amend the U.S.-FSM Compact, and related agreements, between the Government of the United States of America and the Government of the Federated States of Micronesia, the 2023 Agreement to Amend the U.S.-RMI Compact, and certain related agreements between the Government of the United States of America and the Government of the Republic of the Marshall Islands, and the 2023 U.S.-Palau Compact Review Agreement between the Government of the United States of America and the Government of the Republic

of Palau, to appropriate funds to carry out the agreements, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

FREELY ASSOCIATED STATES

In 1986, the Freely Associated States (FAS) emerged from the U.S. administered United Nations (UN) Trust Territory of the Pacific Islands in Micronesia that had been established after World War II.[1] The Marshall Island group became the Republic of the Marshall Islands (RMI), and the Caroline Island group became the Republic of Palau and the Federated States of Micronesia (FSM).[2] The FAS cover a maritime area comparable in size to the continental United States, govern over 1,000 islands, and have a combined population of approximately 100,000 people.[3] The FAS economies face structural challenges similar to many other Pacific Island countries, including a lack of economies of scale, small land areas, limited natural and human resources, remote locations, and poor infrastructure.[4] Each Freely Associated State is an independent nation with full membership in the UN and the Pacific Islands Forum.[5]

Federated States of Micronesia: The FSM is comprised of island chains located between the RMI and Palau. It has a federal constitutional system comprising the states of Pohnpei, Chuuk, Yap and Kosrae.[6] The capital is located at Pohnpei.[7] It derives revenues from licensed international fishing in its vast territorial waters and hosts a small but thriving tourism sector.[8]

Republic of the Marshall Islands: The RMI consists of hundreds of islands in two parallel chains of coral atolls—the Ratak, or Sunrise, island chain to the east and the Ralik, or Sunset, island chain to the west—in the central Pacific Ocean.[9] The chains lie about 125 miles (200 km) apart and extend some 800 miles northwest to southeast. The capital of the RMI is Majuro.[10]

Republic of Palau: Palau is the western-most of the FAS, with its capital at Koror.[11] It's internationally renowned "Rock Islands" are a strong tourist draw, driving a thriving tourism industry.[12] Palau is also host to a growing U.S. military presence that includes highly advanced radar and surveillance capabilities vital to U.S. re-

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[1] "The Freely Associated States and Issues for Congress." Congressional Research Service. https://crsreports.congress.gov/product/pdf/R/R46705.

[2] "Marshall Islands." Encyclopedia Britannica. https://www.britannica.com/place/Marshall-Islands and "Caroline Islands." Encyclopedia Britannica. Accessed. https://www.britannica.com/place/Caroline-Islands.

[3] "The Freely Associated States and Issues for Congress." Congressional Research Service and "Freely Associated States 2023." World Population Review. https://worldpopulationreview.com/country-rankings/freely-associated-states.

[4] For more information on the FAS see "The Freely Associated States and Issues for Congress." Congressional Research Service. https://crsreports.congress.gov/product/pdf/R/R46573/2.

[5] The Pacific Islands Forum. https://www.forumsec.org/who-we-arepacific-islands-forum/ and "Member States." United Nations. https://www.un.org/en/about-us/member-states#gotoF.

[6] "Micronesia." Encyclopedia Britannica. https://www.britannica.com/place/Micronesia-republic-Pacific-Ocean.

[7] *Id.*

[8] *Id.*

[9] "Marshall Islands." Encyclopedia Britannica. https://www.britannica.com/place/Marshall-Islands.

[10] *Id.*

[11] "Palau." Encyclopedia Britannica. https://www.britannica.com/place/Palau.

[12] "Rock Islands Southern Lagoon." UNESCO World Heritage Centre. https://whc.unesco.org/en/list/1386/.

gional strategic interests.[13] Palau also derives revenues from licensed international fishing and subsistence agriculture.[14]

COMPACTS OF FREE ASSOCIATION

The FAS are diplomatically, militarily, and economically connected to the U.S. through the Compacts of Free Association (COFA or COFAs), which are mutually beneficial agreements that serve as the primary line of defense against the People's Republic of China (PRC) influence operations in the Indo-Pacific region in several ways. First, they serve as a reminder to the FAS that the U.S. is committed and values the special relationship formed under free association. Second, the Compacts enable the U.S. and the FAS to counter the PRC's attempts to undermine democracy through economic coercion.[15] U.S. economic assistance to the FAS provides tools and stability for local governments to prevent democratic erosion.

Under the COFAs, the U.S. secures unprecedented and unmatched security and defense rights based in the FAS nations, in exchange for vital U.S. economic assistance and defense guarantees. These rights allow the U.S. to establish military facilities in the FAS in accordance with the COFA terms and to exercise the right of strategic denial. The right of strategic denial allows the U.S. to deny any foreign military, including the PRC, access to an FAS territory.[16]

Within the RMI, the U.S. has an army garrison located in Kwajalein Atoll, that features the Ronald Reagan Ballistic Missile Defense Test Site (RTS).[17] The RTS is a vital strategic asset as it supports U.S. missile and missile defense testing, space launch, and space surveillance activities.[18] In the FSM, the U.S. Department of Defense (DOD) is seeking to use Micronesia as a location for U.S. Air Force Agile Combat Employment operations.[19] Palau is also host to a growing U.S. military presence that includes highly advanced radar and surveillance capabilities vital to U.S. regional strategic interests.[20]

Additionally, the U.S. Coast Guard (USCG) holds an active presence in the region as its cutters and patrol boats tend to be better suited than U.S. Navy vessels for the waterways surrounding the FAS.[21] The USCG 14th District regularly performs maritime safety and security missions, prevention of illegal unlicensed fishing, pro-

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[13] Wright, Stephen. "US Plans Over-the-Horizon Radar Facility in Palau." Radio Free Asia. https://www.rfa.org/english/news/pacific/palau-radar-01112023015016.html.

[14] "Department of State: 2014 Investment Climate Statement." U.S. Department of State. https://2009-2017.state.gov/documents/organization/228600.pdf.

[15] Shullman, David, ed. "Chinese Malign Influence and the Corrosion of Democracy." International Republican Institute. https://www.iri.org/wp-content/uploads/legacy/iri.org/china_malign_influence_executive_summary_booklet.pdf.

[16] Hills, Howard. Free Association for Micronesia and the Marshall Islands: A Transitional Political Status Model. University of Hawaii Law Review, Vol. 27/1. Winter 2004.

[17] Army Space and Missile Defense Command. https://www.smdc.army.mil/Portals/38/Documents/Publications/Fact_Sheets/RTS.pdf.

[18] "In Focus: The Compacts of Free Association." Congressional Research Service, August 15, 2022. https://crsreports.congress.gov/product/pdf/IF/IF12194/1.

[19] *Id.*

[20] Wright, Stephen. "US Plans Over-the-Horizon Radar Facility in Palau." Radio Free Asia, March 27, 2023. https://www.rfa.org/english/news/pacific/palau-radar-01112023015016.html.

[21] Maritime challenges and opportunities—Daniel K. Inouye Asia-Pacific . . . Accessed June 7, 2023. https://dkiapcss.edu/wp-content/uploads/2022/09/Blue-Pacific-Security-11-Long-Turvold-McCann-MaritimeChallenges-1.pdf.

tection of natural resources, and emergency response in the region.[22]

Barring termination of the COFA by the parties according to the provisions of the agreement, the security and defense provisions of the COFA do not expire and continue indefinitely. However, the economic provisions that also sustain the COFA require periodic renewal.[23] The COFA agreements with the RMI and the FSM came into force in Fiscal Year (FY) 1986 with economic assistance lasting for fifteen years, until FY 2001.[24] While renewal negotiations stalled for two years, grant assistance to the FSM and the RMI continued until the COFA agreements with both countries were renewed in 2003 for twenty years under a single piece of legislation from FY 2004 through FY 2023 (2003 FSM & RMI COFA).[25]

In the case of Palau, the final terms for implementation of the COFA approved by Congress in 1986 were set forth in the Implementation of Compact of Free Association with Palau Act. The Palau COFA was ratified by Palau's National Congress in 1993 and entered into force in 1994 with funding commencing in FY 1995 for 15 years, through FY 2009.[26] The U.S. and Palau agreed to extend the economic assistance from the U.S. through a Compact Review Agreement (CRA) for 15 years, from FY 2010 through FY 2024, also known as the "2010 CRA."[27] However, Congress did not approve the agreement until 2017 and so Palau received discretionary appropriations from FY 2010 through FY 2017 through a CR. The funding levels from the CR were less than what Palau was originally scheduled to receive under the 2010 CRA. The 2010 CRA came into effect when Congress passed an agreement in 2017 to amend the CRA, referred to as the "2010 CRA Amendment."[28] The 2010 CRA Amendment provided the authorization for Palau to receive the full amount that was originally scheduled under the 2010 Palau CRA from FY 2018 through FY 2024.

At the time the Committee considered this legislation, the U.S. and the FAS are seeking a renewal of their respective COFA agreements. While the COFA with Palau does not expire until the end of FY 2024, the Palau government requested to be renewed on a parallel track along with the RMI and the FSM.

H.J. Res. 96, the *"Compact of Free Association Amendments Act of 2023"* (COFAA 2023) would approve the 2023 negotiated and updated COFAs with the FSM, Palau, and RMI, and related subsidiary agreements. This legislation is necessary because the economic provisions within the current COFAs[29] with the RMI and the FSM expired in FY 2023, and the COFA[30] with Palau will ex-

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[22] "United States Coast Guard Pacific Area: Strategic Intent." United States Coast Guard, January 2016. https://www.pacificarea.uscg.mil/Portals/8/Documents/PACAREA%20Strategic%20Intent%20-%202016%20-%20final%20for%20release.pdf.

[23] P.L. 99–239, 48 U.S.C. 1681 note, 59 Stat. 1031, Section 211, and H.J. Res. 626, Nov. 14, 1986, P.L. 99–658, 61 Stat. 3301, Section 432.

[24] P.L. 99–239, 48 U.S.C. 1681 note, 59 Stat. 1031, Section 211(a).

[25] Public Law 108–188. 117 Stat. 2720, Section 211(a).

[26] "The Freely Associated States and Issues for Congress." Congressional Research Service. https://crsreports.congress.gov/product/pdf/R/R46705 and H.J. Res. 626, Nov. 14, 1986, P.L. 99–658, 61 Stat. 3301; P.L. 101–219, 103 Stat. 1870, December 12, 1989.

[27] Agreement Following the Compact of Free Association Section 432 Review, Signed at Honolulu, September 3, 2010.

[28] P.L. 115–91, 131 Stat. 1687, December 12, 2017.

[29] P.L. 108–188.

[30] "Agreement Between the Government of the United States of America and the Government of the Republic of Palau Following the Compact of Free Association Section 432 Review." U.S.

pire in FY 2024. Through the revised COFAs, economic assistance would be provided over the next 20 years to implement the 2023 amended COFA agreements with the FAS countries, and for continued U.S. Postal Service services to the FAS. The bill includes strengthened oversight and accountability measures for U.S. implementation and management of the COFAs economic provisions by authorizing the Comptroller General, Secretary of the Interior, Secretary of State, and the Postmaster General oversight responsibilities to implement the 2023 COFA agreements. When these agreements are approved by Congress they will be in place until the end of FY 2043.

Key Provisions:

The Compact of Free Association Amendments Act of 2023 would approve and incorporate by reference agreements signed between the U.S. and the FAS for the new COFA period, from FY 2024 through FY 2043. These agreements are as follows:

- 2023 Agreement to Amend the U.S.-FSM Compact: An agreement between the U.S. and the FSM governments to amend the 2003 U.S.-FSM COFA by renewing economic provisions. The agreement sets a new funding schedule from FY 2024 through FY 2043 for the various funding categories, including the FSM's trust fund, as agreed upon between the FSM and U.S. governments. The agreement also sets biennial reporting requirements on the FSM government to send reports on the use of U.S. economic assistance and the FSM governments' progress in meeting program and economic goals.
- 2023 U.S.-FSM Fiscal Procedures Agreement: An agreement on the procedures for the implementation of economic assistance provided to the FSM government by the U.S. government. This agreement sets guidelines, requirements, and conditions for the U.S. government and the FSM government when implementing the U.S.-FSM COFA economic provisions. The agreement sets parameters for the various categories of sector grants, which are funds dedicated for use for projects within sectors that the U.S. and the FSM have designated as priorities such as education, health, and private sector development. This would ensure evaluation the FSM's progress in meeting economic and financial objectives and provides recommendations for increasing effectiveness of U.S. Compact assistance.
- 2023 U.S.-FSM Trust Fund Agreement: An agreement on the rules and conditions of the trust fund established by the U.S. for the FSM. The FSM's trust fund would receive a total of $500 million for the period from FY 2024 through FY 2043 under the U.S.-FSM COFA. This agreement sets legal status, account structure, funding levels and conditions for distribution, audit and reporting requirements, and withdrawal conditions for the FSM's trust fund.
- 2023 U.S.-FSM Federal Programs and Services Agreement (FPSA): An agreement on what U.S. Federal programs and services would be provided to the FSM and the conditions for

Department of the Interior. Accessed December 11, 2023. https://www.doi.gov/sites/doi.gov/files/uploads/us-palau-compact-review-agreement-signed-9-19-2018.pdf.

those services. These Federal programs and services will include the National Oceanic and Atmospheric Administration's (NOAA) National Weather Service, the Federal Aviation Administration's (FAA) civil aviation services, the Federal Emergency Management Agency (FEMA), the U.S. Postal Service (USPS), and the Federal Deposit Insurance Corporation (FDIC).

- 2023 Agreement to Amend the U.S.-RMI Compact: An agreement between the U.S. and the RMI governments to amend the current U.S.-RMI COFA by renewing economic provisions. This agreement would set a new funding schedule from FY 2024 through FY 2043 for U.S. economic assistance to the RMI including the RMI's trust fund, agreed upon between the two governments. The agreement would also set reporting requirements on the RMI government to send reports on the RMI government's progress in meeting program and economic goals.
- 2023 U.S.-RMI Fiscal Procedures Agreement: An agreement on the procedures for the implementation of economic assistance provided to the RMI government by the U.S. government. This agreement sets guidelines, requirements, and conditions for the U.S. government and the RMI government when implementing the U.S.-RMI COFA economic provisions. This agreement also sets parameters for the various categories of sector grants to ensure review of the audits and reports required under the Compact.
- 2023 U.S.-RMI Trust Fund Agreement: An agreement on the rules and conditions of the trust fund established by the U.S. for the RMI. $700 million for the period of FY 2024 through FY 2043 under the U.S.-RMI COFA will be available for the RMI trust fund. This agreement would set the legal status, account structure, funding levels and conditions for distribution, audit and reporting requirements, and withdrawal conditions for the RMI's trust fund.
- 2023 U.S.-Palau Compact Review Agreement: An agreement between the U.S. and Palau governments resulting from Section 432 of the U.S.-Palau compact. The 2023 agreement was the result of the thirtieth anniversary review of the Compact. The agreement sets a new funding schedule from FY 2024 through FY 2043 for the various funding categories, including Palau's trust fund, agreed upon between the Palau and U.S. governments. The agreement also sets the fiscal procedures for the implementation of economic assistance provisions, including setting annual reporting requirements for Palau.

OVERSIGHT AND ACCOUNTABILITY

The COFAA 2023 would also strengthen oversight and accountability measures for U.S. implementation and management of the COFA economic provisions. The COFAA 2023 builds upon existing measures within Public Law 108–188 and the 2010 Palau CRA, but also creates additional requirements for the Administration to report to Congress on COFA activities every four years.

The COFAA 2023 requires the U.S. members of the Economic Management and Accountability Committees, the U.S.-FSM Joint

Trust Fund Committee, and U.S.-RMI Joint Trust Fund Committee to have strong experience in finance and accounting and sets term limits for the committee members. Furthermore, the COFAA 2023 would require the Secretary of the Interior to submit reports by these committees to Congress detailing the actions of the committees and their recommendations. The COFAA 2023 would also require the members of the Economic Advisory Group appointed by the Secretary of the Interior to have qualifications in private sector business development, economic development, or national development.

The COFAA 2023 also carries forward the authorities of the Comptroller General to carry out its oversight responsibilities under the COFAs. The COFAA 2023 would also place reporting requirements on the Comptroller General to submit to Congress a report on the economic performance of the FAS, the impact of U.S. economic assistance to the FAS, and the effectiveness of U.S. administrative oversight over the COFAs. This would expand the requirements set by Public Law 108–188 by including reporting on Palau. The COFAA 2023 also carries forward the authorities of the Secretary of the Interior and the Postmaster General to carry out oversight responsibilities.

The COFAA 2023 would also require the Secretary of the Interior to submit to Congress a compilation of the COFA agreements with the FSM, the RMI, and Palau. This would improve the readability of the COFA agreements.

The COFAs are essential to U.S. interests in and relationships with the FAS, and ultimately the Indo-Pacific region. Renewing economic assistance and continuing federal programs and services to the FAS reaffirms the United States' commitment to its allies and reliability as a partner. This commitment through the COFAs is essential to counter the PRC's malign influence and to maintain the United States' capacity to secure its interests.

COMMITTEE ACTION

H.J. Res. 96 was introduced on November 2, 2023, by Rep. Bruce Westerman (R–AR). The bill was referred to the Committee on Natural Resources. The bill was also referred to the Committees on Foreign Affairs, Education and the Workforce, Veterans' Affairs, Oversight and Accountability, Agriculture, and Ways and Means. On October 19, 2023, the Subcommittee on Indian and Insular Affairs held a hearing on the discussion draft of the bill. On November 8, 2023, the Committee on Natural Resources met to consider the bill. The bill was ordered favorably reported to the House of Representatives by unanimous consent.

HEARINGS

For the purposes of clause 3(c)(6) of House rule XIII, the following hearing was used to develop or consider this measure: hearing by the Subcommittee on Indian and Insular Affairs held on October 19, 2023.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This joint resolution may be cited as the "Compact of Free Association Amendments Act of 2023".

Section 2. Definitions

Section 2 defines key terms used within the bill.

Section 3. Approval of 2023 Agreement to Amend the U.S.-FSM Compact, 2023 Agreement to Amend the U.S.-RMI Compact, 2023 U.S.-Palau Compact Review Agreement, and Subsidiary Agreements

Section 3 grants congressional approval of the 2023 Compact agreements between the U.S. and FSM, the U.S. and RMI, and the U.S. and Palau, respectively, and acknowledges submission of related subsidiary agreements.

Section 3(a) Federated States of Micronesia

Section 3(a) approves the 2023 Agreement to amend the U.S.-FSM Compact, the 2023 U.S.-FSM Trust Fund Agreement and the 2023 U.S.-FSM Fiscal Procedures Agreement, as provided to Congress, and the U.S.-FSM Federal Programs and Services Agreement. Further, the subsection authorizes the President to bring into force and implement these agreements.

Section 3(b) Republic of the Marshall Islands

Section 3(b) approves the 2023 Agreement to amend the U.S.-RMI Compact, the 2023 U.S.-RMI Trust Fund Agreement, and the 2023 U.S.-RMI Fiscal Procedures Agreement. Further, the subsection authorizes the President to bring into force and implement these agreements.

Section 3(c) Republic of Palau

Section 3(c) approves the 2023 U.S.-Palau Compact Review Agreement, as provided to Congress. Further, the subsection authorizes the President to bring into force and implement this agreement.

Section 3(d) Amendments, changes, or termination to Compacts and certain agreements

Section 3(d) provides that approval in an Act of Congress is required before any amendments or changes to or termination of the Compacts with FSM, RMI, or Palau, or certain subsidiary agreements to them, enter into force.

Section 3(e) Entry into force of future amendments to subsidiary agreements

Section 3(e) provides that a change to any "subsidiary agreements" accompanying the respective Compacts, shall not enter into force until 90 days after the President transmits to the President of the Senate and Speaker of the House of Representatives the relevant agreement to amend the subsidiary agreement, along with an explanation and a description of the reasons for it.

Section 4. Agreements with the Federated States of Micronesia

Section 4 sets forth provisions related to the Federated States of Micronesia.

Section 4(a) Law Enforcement Assistance

Section 4(a) reaffirms that the U.S. shall, as appropriate, continue to provide non-reimbursable U.S. law enforcement technical and training assistance to the FSM, including training for postal inspection of illicit drugs and other contraband (as provided in section 102(a) of Public Law 108–188).

Section 4(b) United States appointees to Joint Economic Management Committee

Section 4(b) requires that the three U.S. appointees to the Joint Economic Management Committee, as established under section 213 of the 2003 Amended U.S.-FSM Compact (Public Law 108–188), shall be U.S. government officers or employees with qualifications in accounting, auditing, budget analysis, compliance, grant administration or program management. Further, this section states that the three U.S. members on the Committee shall be appointed by 1) the Secretary of State, in consultation with the Secretary of the Treasury, 2) the Secretary of the Interior, in consultation with the Secretary of the Treasury, and 3) the Interagency Group on Freely Associated States; and shall be appointed for a term of 2 years and may only be reappointed twice, serving a maximum of 6 years.

This subsection requires that the Secretary of the Interior submit to Congress any reports required under the 2023 Amended U.S.-FSM Compact or relevant subsidiary agreement to Congress, including along with an attestation that the report either is complete and accurate or not submitted by the deadline provided for in the relevant agreement.

Section 4(c) United States appointees to Joint Trust Fund Committee

Section 4(c) requires that the three U.S. appointees to the Joint Trust Fund Committee, as established under section 462(b)(5) of the 2003 Amended U.S.-FSM Compact (Public Law 108–188), shall be U.S. government officers or employees with qualifications in accounting, auditing, budget analysis, compliance, financial investment, grant administration or program management. Further, this section states that the three U.S. members on the Committee shall be appointed by 1) the Secretary of State, 2) the Secretary of the Interior, and 3) the Secretary of the Treasury; and shall be appointed for a term of 2 years and may only be reappointed twice, serving a maximum of 6 years.

This subsection requires that the Secretary of the Interior submit to Congress any reports required under the 2023 Amended U.S.-FSM Compact or relevant subsidiary agreement to Congress, including along with an attestation that the report either is complete and accurate or not submitted by the deadline provided for in the relevant agreement.

Section 5. Agreements with and Other Provisions Related to the Republic of the Marshall Islands

Section 5 sets forth provisions related to the Republic of the Marshall Islands.

Section 5(a) Law Enforcement Assistance

Section 5(a) reaffirms that the U.S. may continue to provide non-reimbursable U.S. law enforcement technical and training assistance to the RMI, including training for postal inspection of illicit drugs and other contraband (as provided in section 103(a) of Public Law 108–188).

Section 5(b) Espousal Provisions

Section 5(b) reaffirms Congress' intent that Section 177 of the Compact of Free Association with the RMI (Public Law 99–239) and the separate Section 177 Agreement constitute a full and final settlement with RMI of all claims described under Articles X and XI of the Section 177 Agreement, related to compensation for nuclear testing.

Section 5(c) Certain Section 177 Agreement Provisions

Section 5(c) restates provisions regarding changed circumstances and consultation described under Articles IX and XIII of the Section 177 Agreement, related to compensation for nuclear testing.

Section 5(d) United States appointees to Joint Economic Management and Financial Accountability Committee

Section 5(d) requires that the two U.S. appointees to the Joint Economic Management and Financial Accountability Committee, as established under section 214 of the 2003 Amended U.S.-RMI Compact (Public Law 108–188), shall be U.S. government officers or employees with qualifications in accounting, auditing, budget analysis, compliance, grant administration or program management. Further, this section states that the three U.S. members on the Committee shall be appointed by 1) the Secretary of State, in consultation with the Secretary of the Treasury and 2) the Secretary of the Interior, in consultation with the Secretary of the Treasury; and shall be appointed for a term of 2 years and may only be reappointed twice, serving a maximum of 6 years.

This subsection requires that the Secretary of the Interior submit to Congress any reports required under the 2023 Amended U.S.-RMI Compact or relevant subsidiary agreement to Congress, including along with an attestation that the report either is complete and accurate or not submitted by the deadline provided for in the relevant agreement.

Section 5(e) United States appointees to Trust Fund Committee

Section 5(e) requires that the three U.S. appointees to the Trust Fund Committee, as established under section 462(b)(5) of the 2003 Amended U.S.-RMI Compact (Public Law 108–188), shall be U.S. government officers or employees with qualifications in accounting, auditing, budget analysis, compliance, financial investment, grant administration or program management. Further, this section states that the three U.S. members on the Committee shall be ap-

pointed by 1) the Secretary of State, 2) the Secretary of the Interior, and 3) the Secretary of the Treasury; and shall be appointed for a term of 2 years and may only be reappointed twice, serving a maximum of 6 years.

This subsection requires that the Secretary of the Interior submit to Congress any reports required under the 2023 Amended U.S.-RMI Compact or relevant subsidiary agreement to Congress, including along with an attestation that the report either is complete and accurate or not submitted by the deadline provided for in the relevant agreement.

Section 5(f) Four Atoll Health Care Program

Section 5(f) repeats the language from Public Law 99–239 and Public Law 108–188 regarding the Four Atoll Health Care Program and the administration of certain health care funds for the people of Bikini, Enewetak, Rongelap, and Utrik and their descendants.

Section 5(g) Radiological Health Care Program

Section 5(g) repeats the language from Public Law 99–239 and Public Law 108–188 regarding the radiological health care for certain populations in the Republic of the Marshall Islands affected by U.S. nuclear tests.

Section 5(h) Agricultural and Food Programs

Section 5(g) repeats the language from Public Law 99–239 and Public Law 108–188 regarding food and agricultural programs for certain populations in the Republic of the Marshall Islands affected by U.S. nuclear tests. This section also continues the Secretary of the Interior authority to carry out the Enewetak planting and agricultural maintenance program.

- This subsection authorizes the Secretary of Agriculture to provide food programs to the people of the Republic of the Marshall Islands.

Section 6. Agreements with and other provisions related to the Republic of Palau

Section 6 sets forth provisions related to the Republic of Palau.

Section 6(a) Bilateral Economic Consultations

Section 6(a) requires annual economic consultations to be by U.S. government officers or employees, as referred to in Article 8 of the 2023 U.S.-Palau Compact Review Agreement.

Section 6(b) Economic Advisory Group

Section 6(b) requires that the members of the Economic Advisory Group, referred to in Article 7 of the 2023 U.S.-Palau Compact Review Agreement, who are appointed by the Secretary of the Interior, have qualifications in private sector business development, economic development, or national development. The subsection also authorizes the Secretary of the Interior to use available funds for certain activities of the Economic Advisory Group.

This subsection requires that the Secretary of the Interior submit to Congress any reports completed by the Economic Advisory Group.

Section 6(c) Reports to Congress

This subsection requires that the Secretary of the Interior submit to Congress any reports required under the 2023 U.S.-Palau Compact Review Agreement or relevant subsidiary agreement to Congress, including along with an attestation that the report either is complete and accurate or not submitted by the deadline provided for in the relevant agreement.

Section 7. Oversight Provisions

Section 7 sets forth oversight provisions for the Compacts of Free Association between the United States and FSM, the United States and RMI, and the United States and Palau.

Section 7(a) Authorities and Duties of the Comptroller General of the United States

Section 7(a) authorizes the Comptroller General to carry out their oversight and audit responsibilities under the 2023 Amended U.S.-FSM Compact and the U.S.-FSM subsidiary agreements, the 2023 Amended U.S.-RMI Compact and the U.S.-RMI subsidiary agreements, and the 2023 U.S.-Palau Compact Review Agreement and subsidiary agreements.

This section also requires the Comptroller General to submit reports to Congress every 4 years on implementation of the 2023 Amended U.S.-FSM Compact, the 2023 Amended U.S.-RMI Compact, the 2023 U.S.-Palau Compact Review Agreement, and relevant subsidiary agreements; and the effectiveness of administrative oversight by the United States of the Freely Associated States.

Section 7(b) Secretary of the Interior oversight authority

Section 7(b) provides the Secretary of the Interior with the necessary authorities to fulfill their oversight responsibilities under the Act.

Section 7(c) Postmaster General oversight authority

Section 7(c) provides the Postmaster General the necessary authorities to fulfill their oversight responsibilities under the Act.

Section 7(d) Interagency Group on Freely Associated States

Section 7(d) requires that the President establish an Interagency Group on Freely Associated States, co-led by the Department of State and the Department of the Interior, to meet annually and to provide policy guidance and recommendations on implementation of the Compacts of Free Association with the FSM, RMI and Palau and on relations with those countries more generally. The subsection requires the Interagency Group to submit an annual report to Congress on its activities and recommendations during the applicable year.

Section 7(e) Federal agency coordination

Section 7(e) requires all federal agencies providing programs and services within the Freely Associated States to coordinate with the Secretary of the Interior and Secretary of State.

Section 7(f) Foreign loans or debt

Section 7(f) reaffirms that the United States Government is not responsible for foreign loans or debt of the FSM, RMI or Palau.

Section 7(g) Compact Compilation

Section 7(g) requires the Secretary of the Interior to compile the Compacts of Free Association with the Federated State of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau and submit the Compact compilation to Congress.

Section 7(h) Publication; Revision by the Office of the Law Revision Counsel

Section 7(h) directs the Office of the Law Revision Counsel to revise the United States Code to incorporate amendments to the Compacts of Free Association with the Federated State of Micronesia, and the Republic of the Marshall Islands.

Section 8. United States Policy regarding the Freely Associated States

Section 8 sets forth policies and authorizations to carry out Federal programs and services related to the Freely Associated States.

Section 8(a) Authorization for Veterans' Services

Section 8(a) authorizes the Department of Veterans Affairs to provide health and medical services to veterans living in the FAS.

Section 8(b) Authorization of Education Programs

Section 8(b) authorizes the Department of Education to continue to provide the FAS access to services and programs for elementary and secondary education, career and technical education, special education, and adult education. This section makes technical amendments to these Acts to implement the relevant 2023 Compact agreements.

This subsection authorizes the Department of Education to continue to provide eligible institutions of higher education and students living in the FAS access to Federal Work Study Programs, Spell Grants, and Federal Supplemental Educational Opportunity Grants. This subsection grants in-state tuition to FAS citizens attending an institution of higher education in the United States or territories. This subsection also provides eligible institutions, schools, and organizations in the FAS access to competitive grants under the Higher Education Act of 1965 (20 U.S.C. 1001).

This subsection also amends the Head Start Act to provide eligibility to Head Start services for children and families living in the FAS.

This subsection also requires the Secretary of the Interior to coordinate with the Secretary of Education and the Secretary of Health and Human Services to avoid duplication of economic assistance for education.

Section 8(c) Authorization of Department of Defense Programs

Section 8(c) reaffirms the Secretary of Defense authority regarding use of the Department of Defense medical facilities by patients referred from the FSM, RMI and Palau and the affected areas on

a space available and reimbursable basis. Further, the subsection continues to authorize the Department of Defense to extend the Armed Services Vocational Aptitude Battery (ASVAB) Student Testing Program and the ASVAB Career Exploration Program to certain secondary schools in the, FSM, RMI and Palau.

Section 8(d) Judicial Training

Section 8(d) continues to authorize the Secretary of the Interior to provide financial assistance to train judges and officials of the judiciary in the FSM, RMI and Palau, in cooperation with the Pacific Islands Committee of the Ninth Circuit Judicial Council.

Section 8(e) Eligibility for the Republic of Palau

Section 8(e) extends eligibility to the Republic of Palau for certain federal programs and services for which FSM and RMI are already eligible pursuant to Public Law 108–188. This includes the National Health Service Corps, Legal Services Corporation, Public Health Service, the Rural Housing Service, the Small Business Administration, Economic Development Administration, Rural Utilities Services, Department of Labor's Workforce Investment Act, and the Department of Commerce's tourism and marine resource programs.

Section 8(f) Compact impact fairness

Section 8(f) restores eligibility for FAS citizens lawfully living in the United States by extending Federal benefits available to other lawful permanent residents.

Section 8(g) Consultation with international financial institutions

Section 8(g) states that the Secretary of the Treasury, in coordination with the Secretary of State and the Secretary of the Interior, shall consult with appropriate officials of the Asian Development Bank and relevant international financial institutions, with respect to overall economic conditions in the FSM, RMI, and Palau.

Section 8(h) Chief of Mission

Section 8(h) amends section 105(b)(5) of Public Law 108–188 to specify that all U.S. Government employees in FSM, RMI and Palau fall under the authority of the United States Chief of Mission in that country, except for employees identified as excluded in U.S. law or Presidential directive.

Section 8(i) Establishment of a unit for the Freely Associated States in the Bureau of East Asian and Pacific Affairs of the Department of State and Increasing Personnel Focused on Oceania

Section 8(i) establishes a unit to manage bilateral relations with the Freely Associated States in the Bureau of East Asian and Pacific Affairs of the Department of State and encourages the Secretary to dedicate additional personnel to support the work of this unit and relations with the Pacific Islands.

Section 8(j) Technical Assistance

Section 8(j) continues the authorization for certain Federal agencies pursuant to section 224 of the 2023 Compacts to provide nonreimbursable technical assistance related to historic preservation at the request of the FSM and RMI and amends section 105(j) of Public Law 108–188 to extend eligibility of this technical assistance to Palau.

Section 8(k) Continuing Trust Territory Authorization

Repeats the language from Public Law 99–239 and Public Law 108–188 regarding any continuing authorizations from the Trust Territory period.

Section 8(l) Technical amendments

Section 8(l) makes technical amendments to Section 2(f) of the Public Health Service Act (42 U.S.C. 201(f)) and section 104(e) of Public Law 108–188.

Section 9. Additional authorities

Section 9 sets forth additional authorities related to the Compacts.

Section 9(a) Agencies, departments, and instrumentalities

Section 9(a) provides authorization for Federal agencies and departments to carry out international obligations under the 2023 Compact agreements and requires that appropriations to carry out these international obligations shall be made directly to the Federal agencies, departments, and instrumentalities.

Section 9(b) Additional assistance

Section 9(b) states that any additional assistance provided pursuant to sections 4(a), 5(a), 6(b) and 8 of this Act shall be in addition to the amounts paid to the FAS under the Compacts and shall not be charged against them.

Section 9(c) Remaining balances

Section 9(c) provides authority to program remaining balances of funds appropriated to carry out the 2003 amended Compacts with FSM and Palau (Public Law 108–188) and the 2010 Compact Review Agreement with Palau (Public Law 115–141) pursuant to the 2023 Compact agreements.

Section 9(d) Grants

Section 9(d) clarifies that funding provided under the 2023 Compact agreements may be provided as grants for purposes of implementation and clarifies authority to place federal funds in interest bearing accounts.

Section 9(e) Rule of construction

Section 9(e) clarifies that the provisions of prior Compact of Free Association Acts (Public Law 99–239; Public Law 108–188; Public Law 115–91; and Public Law 115–141) are not amended by this Act unless otherwise stated.

Section 9(f) Clarification relating to appropriated funds

Section 10. Compact appropriations

Section 10 provides $7.1 billion in mandatory funding over the next 20 years for the Compacts with the Marshall Islands, Micronesia, and Palau, which includes $6.5 billion in economic assistance to the FAS and $634 million for continued United States Postal Service in the FAS.

Section 10(a) Funding for Activities of the Secretary of the Interior

Section 10(a) states that there is appropriated to the Department of the Interior's Compact of Free Association account for FY 2024 to FY 2043 to carry out the 2023 Amended U.S.-FSM Compact, the 2023 Amended U.S.-RMI Compact, and the 2023 U.S.-Palau Compact Review Agreement ($6.5 billion total over 20 years).

Section 10(b) Funding for Activities of the United States Postal Service

Section 10(b) states that there is appropriated to the United States Postal Service for FY 2024 to FY 2043 to carry out their obligations under the 2023 Amended U.S.-FSM Compact, the 2023 Amended U.S.-RMI Compact, and the 2023 U.S.-Palau Compact Review Agreement ($634 million total over 20 years).

Section 10(c) Funding for Judicial Training

Section 10(c) states that there is appropriated to the Secretary of the Interior to carry out Section 8(d) $550,000 for each of FY 2024 through FY 2043 ($11 million total over 20 years).

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. *Cost of Legislation and the Congressional Budget Act.* With respect to the requirements of clause 3(c)(2) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

At a Glance

H.J. Res. 96, Compact of Free Association Amendments Act of 2023

As ordered reported by the House Committee on Natural Resources on November 8, 2023

By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	802	1,925	2,358
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	802	1,925	2,358
Spending Subject to Appropriation (Outlays)	not estimated	not estimated	not estimated

Increases *net direct spending* in any of the four consecutive 10-year periods beginning in 2034?	< $2.5 billion	Statutory pay-as-you-go procedures apply?	Yes
		Mandate Effects	
Increases *on-budget deficits* in any of the four consecutive 10-year periods beginning in 2034?	< $5 billion	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

The bill would

- Amend each Compact of Free Association (COFA) and the subsidiary agreements between the United States and the Federated States of Micronesia, Republic of the Marshall Islands, and Republic of Palau, often called freely associated states (FAS)
- Provide funds for the FAS over the 2024–2043 period
- Appropriate funds each year for the Postal Service to provide service in the FAS
- Expand access to certain mandatory programs for COFA migrants living in the United States
- Authorize the Department of Veterans Affairs to cover some medical costs for certain veterans in the FAS
- Provide training for judges in the FAS

Estimated budgetary effects would mainly stem from

- Mandatory spending for grants and trust fund contributions for the FAS
- Mandatory spending to provide mail service to the FAS

TABLE 1.—ESTIMATED CHANGES IN DIRECT SPENDING UNDER H.J. RES. 96, THE COMPACT OF FREE ASSOCIATION AMENDMENTS ACT OF 2023

As ordered reported by the House Committee on Natural Resources on November 8, 2023

	By fiscal year, millions of dollars—											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024–2028	2024–2033
INCREASES OR DECREASES (−) IN DIRECT SPENDING												
Federated States of Micronesia												
Budget Authority	263	261	9	8	6	4	2	1	−1	−3	547	550
Estimated Outlays	263	261	9	8	6	4	2	1	−1	−3	547	550
Republic of the Marshall Islands												
Budget Authority	411	172	172	72	−29	−29	−29	−29	−29	−29	798	653
Estimated Outlays	411	172	172	72	−29	−29	−29	−29	−29	−29	798	653
Republic of Palau												
Budget Authority	90	91	41	42	42	43	34	34	35	36	306	488
Estimated Outlays	90	91	41	42	42	43	34	34	35	36	306	488
Postal Service Fund [a]												

TABLE 1.—ESTIMATED CHANGES IN DIRECT SPENDING UNDER H.J. RES. 96, THE COMPACT OF FREE ASSOCIATION AMENDMENTS ACT OF 2023—Continued

As ordered reported by the House Committee on Natural Resources on November 8, 2023

	By fiscal year, millions of dollars—											
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2024–2028	2024–2033
Budget Authority	32	32	32	32	32	32	32	32	32	32	160	320
Estimated Outlays	29	32	32	32	32	32	32	32	32	32	157	317
Compact Impact Fairness												
Estimated Budget Authority	6	14	20	27	31	34	36	39	43	47	98	297
Estimated Outlays	6	14	20	27	31	34	36	39	43	47	98	297
Veterans' Health Care												
Estimated Budget Authority	2	3	3	4	4	5	5	6	7	8	16	47
Estimated Outlays	2	3	3	4	4	5	5	6	7	8	16	47
Judicial Training												
Budget Authority	1	*	1	*	1	*	1	*	1	1	3	6
Estimated Outlays	1	*	1	*	1	*	1	*	1	1	3	6
Total Changes in Direct Spending												
Estimated Budget Authority	805	573	278	185	87	89	81	83	88	92	1,928	2,361
Estimated Outlays	802	573	278	185	87	89	81	83	88	92	1,925	2,358
On-Budget Outlays ...	805	573	278	185	87	89	81	83	88	92	1,928	2,361
Off-Budget Outlays ...	−3	0	0	0	0	0	0	0	0	0	−3	−3

CBO has not estimated the effects of spending subject to appropriation; * = between zero and $500,000.

[a] Includes on-budget and off-budget effects. Postal Service cash flows are recorded in the Postal Service Fund in the federal budget and are classified as off-budget. Section 10 of the legislation would require funds from the Treasury to be deposited into the Postal Service Fund; that transfer would be classified as an on-budget transaction.

H.J. Res. 96 would amend each Compact of Free Association (COFA) and the subsidiary agreements between the United States and the Federated States of Micronesia, Republic of the Marshall Islands, and Republic of Palau, often called freely associated states (FAS). The compacts and subsidiary agreements govern political, economic, and military relationships between the United States and those entities.

Direct Spending: CBO estimates that enacting H.J. Res. 96 would increase direct spending by about $2.4 billion over the 2024–2033 period, relative to CBO's baseline projections. In keeping with section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985, the cost of extending current spending under those COFAs between the Federated States of Micronesia and the Republic of the Marshall Islands (about $2.3 billion through 2033) are included in CBO's baseline and therefore are not included in the costs attributable to this legislation.

Federated States of Micronesia. Over the 2024–2033 period, H.J. Res. 96 would provide $550 million in additional grants and trust fund contributions and would increase spending by the same amount.

Republic of the Marshall Islands. Over the 2024–2033 period, H.J. Res. 96 would provide an additional $653 million in funds available for grants, trust fund contributions, development in the Kwajalein Atoll, and establishment of a museum and would increase spending by the same amount.

Republic of Palau. Over the 2024–2033 period, H.J. Res. 96 would provide $488 million in grant funds and would increase spending by the same amount.

Postal Service Fund. Section 10 would appropriate $32 million annually to the Postal Service to provide service in each FAS. Those amounts would be deposited into the Postal Service Fund. Cash flows for that fund are classified as off-budget direct spending. Using historical spending patterns for similar activities, CBO estimates that enacting H.J. Res. 96 would increase direct spending by $317 million over the 2024–2033 period.

Compact Impact Fairness. Section 8(f) would expand access to certain federal programs for COFA migrants living in the United States. In particular, CBO estimates that, over the 2024–2033 period, spending would increase by $84 million for Supplemental Security Income, by $106 million for the Supplemental Nutrition Assistance Program, and by $19 million for federal student loans. CBO estimates that Medicaid outlays would increase by $88 million over the same period because some people newly receiving Supplemental Security Income would be eligible for Medicaid. Those estimates are based on current participation rates among COFA migrants in the United States and on projected changes in that population over the 2024–2033 period.

Veterans' Health Care. H.J. Res. 96 would authorize the Department of Veterans Affairs (VA) to pay for hospital care and medical care through contracts, reimbursement, or direct care for certain veterans ineach FAS. The legislation also would authorize VA to pay for travel and related expenses for certain veterans traveling in, to, or from an FAS to receive authorized care. CBO estimates that enacting those provisions would increase direct spending by $47 million over the 2024–2033 period.

Judicial Training. Section 10 would appropriate $550,000 annually to the Department of the Interior to train judges in each FAS.

Spending subject to appropriation: H.J. Res. 96 also would reauthorize services that are currently provided by the federal government to each FAS and which are funded through annual appropriations. CBO has not estimated the discretionary costs of implementing the legislation.

Estimate approved by: Phillip L. Swagel, Director, Congressional Budget Office.

2. *General Performance Goals and Objectives.* As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to approve the 2023 Agreement to Amend the U.S.-FSM Compact, and related agreements, between the Government of the United States of America and the Government of the Federated States of Micronesia, the 2023 Agreement to Amend the U.S.-RMI Compact, and certain related agreements between the Government of the United States of America and the Government of the Republic of the Marshall Islands, and the 2023 U.S.-Palau Compact Review Agreement between the Government of the United States of America and the Government of the Republic of Palau, to appropriate funds to carry out the agreements, and for other purposes.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

UNFUNDED MANDATES REFORM ACT STATEMENT

According to the Congressional Budget Office, H.J. Res. 96 contains no unfunded mandates as defined by the Unfunded Mandates Reform Act.

EXISTING PROGRAMS

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

TITLE 38, UNITED STATES CODE

* * * * * * *

PART I—GENERAL PROVISIONS

* * * * * * *

CHAPTER 1—GENERAL

* * * * * * *

§ 111. Payments or allowances for beneficiary travel

(a) Under regulations prescribed by the President pursuant to the provisions of this section, the Secretary may pay the actual necessary expense of travel (including lodging and subsistence), or in lieu thereof an allowance based upon mileage (at a rate of 41.5 cents per mile), of any person to or from a Department facility or

other place in connection with vocational rehabilitation, counseling required by the Secretary pursuant to chapter 34 or 35 of this title, or for the purpose of examination, treatment, or care. Actual necessary expense of travel includes the reasonable costs of airfare if travel by air is the only practical way to reach a Department facility. In addition to the mileage allowance authorized by this section, there may be allowed reimbursement for the actual cost of ferry fares, and bridge, road, and tunnel tolls.

(b)(1) Except as provided in subsection (c) of this section and notwithstanding subsection (g)(2) of this section or any other provision of law, if, with respect to any fiscal year, the Secretary exercises the authority under this section to make any payments, the Secretary shall make the payments provided for in this section to or for the following persons for travel during such fiscal year for examination, treatment, or care for which the person is eligible:

(A) A veteran or other person whose travel is in connection with treatment or care for a service-connected disability.

(B) A veteran with a service-connected disability rated at 30 percent or more.

(C) A veteran receiving pension under section 1521 of this title.

(D) A veteran (i) who is not traveling by air and whose annual income (as determined under section 1503 of this title) does not exceed the maximum annual rate of pension which would be payable to such veteran if such veteran were eligible for pension under section 1521 of this title, or (ii) who is determined, under regulations prescribed by the Secretary, to be unable to defray the expenses of the travel for which payment under this section is claimed.

(E) Subject to paragraph (3) of this subsection, a veteran or other person whose travel to or from a Department facility is medically required to be performed by a special mode of travel and who is determined under such regulations to be unable to defray the expenses of the travel for which payment under this section is claimed.

(F) A veteran whose travel to a Department facility is incident to a scheduled compensation and pension examination.

(G) A veteran with vision impairment, a veteran with a spinal cord injury or disorder, or a veteran with double or multiple amputations whose travel is in connection with care provided through a special disabilities rehabilitation program of the Department (including programs provided by spinal cord injury centers, blind rehabilitation centers, and prosthetics rehabilitation centers) if such care is provided—

(i) on an in-patient basis; or

(ii) during a period in which the Secretary provides the veteran with temporary lodging at a facility of the Department to make such care more accessible to the veteran.

(2) The Secretary may make payments provided for in this section to or for any person not covered by paragraph (1) of this subsection for travel by such person for examination, treatment, or care. Such payments shall be made in accordance with regulations which the Secretary shall prescribe.

(3)(A) Except as provided in subparagraph (B) of this paragraph, the Secretary shall not make payments under this section for trav-

el performed by a special mode of travel unless (i) the travel by such mode is medically required and is authorized by the Secretary before the travel begins, or (ii) the travel by such mode is in connection with a medical emergency of such a nature that the delay incident to obtaining authorization from the Secretary to use that mode of travel would have been hazardous to the person's life or health.

(B) In the case of travel by a person to or from a Department facility by special mode of travel, the Secretary may provide payment under this section to the provider of the transportation by special mode before determining the eligibility of such person for such payment if the Secretary determines that providing such payment is in the best interest of furnishing care and services. Such a payment shall be made subject to subsequently recovering from such person the amount of the payment if such person is determined to have been ineligible for payment for such travel.

(C) In the case of transportation of a person to or from a Department facility by ambulance, the Secretary may pay the provider of the transportation the lesser of the actual charge for the transportation or the amount determined by the fee schedule established under section 1834(*l*) of the Social Security Act (42 U.S.C. 1395m(*l*)) unless the Secretary has entered into a contract for that transportation with the provider.

(4) In determining for purposes of subsection (a) whether travel by air is the only practical way for a veteran to reach a Department facility, the Secretary shall consider the medical condition of the veteran and any other impediments to the use of ground transportation by the veteran.

(c)(1) Except as otherwise provided in this subsection, the Secretary, in making a payment under this section to or for a person described in subparagraph (A), (B), (C), or (D) of subsection (b)(1) of this section for travel for examination, treatment, or care, shall deduct from the amount otherwise payable an amount equal to $3 for each one-way trip.

(2) In the case of a person who is determined by the Secretary to be a person who is required to make six or more one-way trips for needed examination, treatment, or care during the remainder of the calendar month in which the determination is made or during any subsequent calendar month during the one-year period following the last day of the month in which the determination is made, the amount deducted by the Secretary pursuant to paragraph (1) of this subsection from payments for trips made to or from such facility during any such month shall not exceed $18.

(3) No deduction shall be made pursuant to paragraph (1) of this subsection in the case of a person whose travel to or from a Department facility is performed by a special mode of travel for which payment under this section is authorized under subsection (b)(3) of this section.

(4) The Secretary may waive the deduction requirement of paragraph (1) of this subsection in the case of the travel of any veteran for whom the imposition of the deduction would cause severe financial hardship. The Secretary shall prescribe in regulations the conditions under which a finding of severe financial hardship is warranted for purposes of this paragraph.

(d) Payment of the following expenses or allowances in connection with vocational rehabilitation, counseling, or upon termination of examination, treatment, or care, may be made before the completion of travel:

(1) The mileage allowance authorized by subsection (a) of this section.

(2) Actual local travel expenses.

(3) The expense of hiring an automobile or ambulance, or the fee authorized for the services of a nonemployee attendant.

(e)(1) Except as provided in paragraph (2), when any person entitled to mileage under this section requires an attendant (other than an employee of the Department) in order to perform such travel, the attendant may be allowed expenses of travel upon the same basis as such person.

(2)(A) Without regard to whether an eligible veteran entitled to mileage under this section for travel to a Department facility for the purpose of medical examination, treatment, or care requires an attendant in order to perform such travel, an attendant of such veteran described in subparagraph (B) may be allowed expenses of travel (including lodging and subsistence) upon the same basis as such veteran during—

(i) the period of time in which such veteran is traveling to and from a Department facility for the purpose of medical examination, treatment, or care; and

(ii) the duration of the medical examination, treatment, or care episode for such veteran.

(B) An attendant of a veteran described in this subparagraph is a provider of personal care services for such veteran who is approved under paragraph (6) of section 1720G(a) of this title or designated under paragraph (7) of such section 1720G(a).

(C) The Secretary may prescribe regulations to carry out this paragraph. Such regulations may include provisions—

(i) to limit the number of attendants that may receive expenses of travel under this paragraph for a single medical examination, treatment, or care episode of an eligible veteran; and

(ii) to require such attendants to use certain travel services.

(D) In this subsection, the term "eligible veteran" has the meaning given that term in section 1720G(a)(2) of this title.

(f) The Secretary may provide for the purchase of printed reduced-fare requests for use by veterans and their authorized attendants when traveling at their own expense to or from any Department facility.

(g)(1) Beginning one year after the date of the enactment of the Caregivers and Veterans Omnibus Health Services Act of 2010, the Secretary may adjust the mileage rate described in subsection (a) to be equal to the mileage reimbursement rate for the use of privately owned vehicles by Government employees on official business (when a Government vehicle is available), as prescribed by the Administrator of General Services under section 5707(b) of title 5.

(2) If an adjustment in the mileage rate under paragraph (1) results in a lower mileage rate than the mileage rate otherwise specified in subsection (a), the Secretary shall, not later than 60 days before the date of the implementation of the mileage rate as so adjusted, submit to Congress a written report setting forth the adjust-

ment in the mileage rate under this subsection, together with a justification for the decision to make the adjustment in the mileage rate under this subsection.

(h)(1) Notwithstanding any other provision of law, the Secretary may make payments to or for any person traveling in, to, or from the Freely Associated States for receipt of care or services authorized under section 1724(f) of this title.

(2) A person who has received payment for travel in a country pursuant to this subsection shall remain eligible for payment for such travel in that country regardless of whether the country continues to qualify as a Freely Associated State for purposes of this subsection.

(3) The Secretary shall prescribe regulations to carry out this subsection.

(4) In this subsection, the term "Freely Associated States" means—

(A) the Federated States of Micronesia, during such time as it is a party to the Compact of Free Association set forth in section 201 of the Compact of Free Association Act of 1985 (Public Law 99–239; 48 U.S.C. 1901 note);

(B) the Republic of the Marshall Islands, during such time as it is a party to the Compact of Free Association set forth in section 201 of the Compact of Free Association Act of 1985 (Public Law 99–239; 48 U.S.C. 1901 note); and

(C) the Republic of Palau, during such time as it is a party to the Compact of Free Association between the United States and the Government of Palau set forth in section 201 of Joint Resolution entitled "Joint Resolution to approve the 'Compact of Free Association' between the United States and the Government of Palau, and for other purposes" (Public Law 99–658; 48 U.S.C. 1931 note).

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PART II—GENERAL BENEFITS

* * * * * * *

CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

* * * * * * *

SUBCHAPTER III—MISCELLANEOUS PROVISIONS RELATING TO HOSPITAL AND NURSING HOME CARE AND MEDICAL TREATMENT OF VETERANS

* * * * * * *

§ 1724. Hospital care, medical services, and nursing home care abroad

(a) Except as provided in **[**subsections (b) and (c)**]** *subsections (b), (c), and (f)*, the Secretary shall not furnish hospital or domiciliary care or medical services outside any State.

(b)(1) The Secretary may furnish hospital care and medical services outside a State to a veteran who is otherwise eligible to receive hospital care and medical services if the Secretary determines that such care and services are needed for the treatment of a service-

connected disability of the veteran or as part of a rehabilitation program under chapter 31 of this title.

(2) Care and services for a service-connected disability of a veteran who is not a citizen of the United States may be furnished under this subsection only—

(A) if the veteran is in the Republic of the Philippines or in Canada; or

(B) if the Secretary determines, as a matter of discretion and pursuant to regulations which the Secretary shall prescribe, that it is appropriate and feasible to furnish such care and services.

(c) Within the limits of those facilities of the Veterans Memorial Medical Center at Manila, Republic of the Philippines, for which the Secretary may contract, the Secretary may furnish necessary hospital care to a veteran for any non-service-connected disability if such veteran is unable to defray the expenses of necessary hospital care. The Secretary may enter into contracts to carry out this section.

(d) The Secretary may furnish nursing home care, on the same terms and conditions set forth in section 1720(a) of this title, to any veteran who has been furnished hospital care in the Philippines pursuant to this section, but who requires a protracted period of nursing home care.

(e) Within the limits of an outpatient clinic in the Republic of the Philippines that is under the direct jurisdiction of the Secretary, the Secretary may furnish a veteran who has a service-connected disability with such medical services as the Secretary determines to be needed.

(f)(1) The Secretary may furnish hospital care and medical services in the Freely Associated States to a veteran who is otherwise eligible to receive hospital care and medical services.

(2) In furnishing hospital care and medical services under paragraph (1), the Secretary may furnish hospital care and medical services through—

(A) contracts or other agreements;

(B) reimbursement; or

(C) the direct provision of care by health care personnel of the Department.

(3) In furnishing hospital care and medical services under paragraph (1), the Secretary may furnish hospital care and medical services for any condition regardless of whether the condition is connected to the service of the veteran in the Armed Forces.

(4)(A) A veteran who has received hospital care or medical services in a country pursuant to this subsection shall remain eligible, to the extent determined advisable and practicable by the Secretary, for hospital care or medical services in that country regardless of whether the country continues to qualify as a Freely Associated State for purposes of this subsection.

(B) If the Secretary determines it is no longer advisable or practicable to allow veterans described in subparagraph (A) to remain eligible for hospital care or medical services pursuant to such subparagraph, the Secretary shall—

(i) provide direct notice of that determination to such veterans; and

(ii) publish that determination and the reasons for that determination in the Federal Register.

(5) In this subsection, the term "Freely Associated States" means—

(A) the Federated States of Micronesia, during such time as it is a party to the Compact of Free Association set forth in section 201 of the Compact of Free Association Act of 1985 (Public Law 99–239; 48 U.S.C. 1901 note);

(B) the Republic of the Marshall Islands, during such time as it is a party to the Compact of Free Association set forth in section 201 of the Compact of Free Association Act of 1985 (Public Law 99–239; 48 U.S.C. 1901 note); and

(C) the Republic of Palau, during such time as it is a party to the Compact of Free Association between the United States and the Government of Palau set forth in section 201 of Joint Resolution entitled "Joint Resolution to approve the 'Compact of Free Association' between the United States and the Government of Palau, and for other purposes" (Public Law 99–658; 48 U.S.C. 1931 note).

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§ 1730C. Licensure of health care professionals providing treatment via telemedicine

(a) IN GENERAL.—Notwithstanding any provision of law regarding the licensure of health care professionals, a covered health care professional may practice the health care profession of the health care professional at any location in [any State] *any State or any of the Freely Associated States (as defined in section 1724(f) of this title)*, regardless of where the covered health care professional or the patient is located, if the covered health care professional is using telemedicine to provide treatment to an individual under this chapter.

(b) COVERED HEALTH CARE PROFESSIONALS.—For purposes of this section, a covered health care professional is any of the following individuals:

(1) A health care professional who—

(A) is an employee of the Department appointed under section 7306, 7401, 7405, 7406, or 7408 of this title or under title 5;

(B) is authorized by the Secretary to provide health care under this chapter;

(C) is required to adhere to all standards for quality relating to the provision of health care in accordance with applicable policies of the Department; and

(D)(i) has an active, current, full, and unrestricted license, registration, or certification in a State to practice the health care profession of the health care professional; or

(ii) with respect to a health care profession listed under section 7402(b) of this title, has the qualifications for such profession as set forth by the Secretary.

(2) A postgraduate health care employee who—

(A) is appointed under section 7401(1), 7401(3), or 7405 of this title or title 5 for any category of personnel described in paragraph (1) or (3) of section 7401 of this title;

(B) must obtain an active, current, full, and unrestricted license, registration, or certification or meet qualification standards set forth by the Secretary within a specified time frame; and

(C) is under the clinical supervision of a health care professional described in paragraph (1); or

(3) A health professions trainee who—

(A) is appointed under section 7405 or 7406 of this title; and

(B) is under the clinical supervision of a health care professional described in paragraph (1).

(c) PROPERTY OF FEDERAL GOVERNMENT.—Subsection (a) shall apply to a covered health care professional providing treatment to a patient regardless of whether the covered health care professional or patient is located in a facility owned by the Federal Government during such treatment.

(d) RELATION TO STATE LAW.—(1) The provisions of this section shall supersede any provisions of the law of any State to the extent that such provision of State law are inconsistent with this section.

(2) No State shall deny or revoke the license, registration, or certification of a covered health care professional who otherwise meets the qualifications of the State for holding the license, registration, or certification on the basis that the covered health care professional has engaged or intends to engage in activity covered by subsection (a).

(e) RULE OF CONSTRUCTION.—Nothing in this section may be construed to remove, limit, or otherwise affect any obligation of a covered health care professional under the Controlled Substances Act (21 U.S.C. 801 et seq.).

(f) STATE DEFINED.—In this section, the term "State" means a State, as defined in section 101(20) of this title, or a political subdivision of a State.

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INDIVIDUALS WITH DISABILITIES EDUCATION ACT

* * * * * * *

PART B—ASSISTANCE FOR EDUCATION OF ALL CHILDREN WITH DISABILITIES

SEC. 611. AUTHORIZATION; ALLOTMENT; USE OF FUNDS; AUTHORIZATION OF APPROPRIATIONS.

(a) GRANTS TO STATES.—

(1) PURPOSE OF GRANTS.—The Secretary shall make grants to States, outlying areas, and freely associated States, and provide funds to the Secretary of the Interior, to assist them to provide special education and related services to children with disabilities in accordance with this part.

(2) MAXIMUM AMOUNT.—The maximum amount of the grant a State may receive under this section—

(A) for fiscal years 2005 and 2006 is—

(i) the number of children with disabilities in the State who are receiving special education and related services—

(I) aged 3 through 5 if the State is eligible for a grant under section 619; and

(II) aged 6 through 21; multiplied by

(ii) 40 percent of the average per-pupil expenditure in public elementary schools and secondary schools in the United States; and

(B) for fiscal year 2007 and subsequent fiscal years is—

(i) the number of children with disabilities in the 2004–2005 school year in the State who received special education and related services—

(I) aged 3 through 5 if the State is eligible for a grant under section 619; and

(II) aged 6 through 21; multiplied by

(ii) 40 percent of the average per-pupil expenditure in public elementary schools and secondary schools in the United States; adjusted by

(iii) the rate of annual change in the sum of—

(I) 85 percent of such State's population described in subsection (d)(3)(A)(i)(II); and

(II) 15 percent of such State's population described in subsection (d)(3)(A)(i)(III).

(b) OUTLYING AREAS AND FREELY ASSOCIATED STATES; SECRETARY OF THE INTERIOR.—

(1) OUTLYING AREAS AND FREELY ASSOCIATED STATES.—

[(A) FUNDS RESERVED.—From the amount appropriated for any fiscal year under subsection (i), the Secretary shall reserve not more than 1 percent, which shall be used—

[(i) to provide assistance to the outlying areas in accordance with their respective populations of individuals aged 3 through 21; and

[(ii) to provide each freely associated State a grant in the amount that such freely associated State received for fiscal year 2003 under this part, but only if the freely associated State meets the applicable requirements of this part, as well as the requirements of section 611(b)(2)(C) as such section was in effect on the day before the date of enactment of the Individuals with Disabilities Education Improvement Act of 2004.]

(A) FUNDS RESERVED.—From the amount appropriated for any fiscal year under subsection (i), the Secretary shall reserve not more than 1 percent, which shall be used as follows:

(i) To provide assistance to the outlying areas in accordance with their respective populations of individuals aged 3 through 21.

(ii)(I) To provide each freely associated State a grant so that no freely associated State receives a lesser share of the total funds reserved for the freely associated State than the freely associated State received of those funds for fiscal year 2023.

(II) Each freely associated State shall establish its eligibility under this subparagraph consistent with the requirements for a State under section 612.

(III) The funds provided to each freely associated State under this part may be used to provide, to each infant or toddler with a disability (as defined in section 632), either a free appropriate public education, consistent with section 612, or early intervention services consistent with part C, notwithstanding the application and eligibility requirements of sections 634(2), 635, and 637.

(B) SPECIAL RULE.—The provisions of Public Law 95–134, permitting the consolidation of grants by the outlying areas, shall not apply to funds provided to the outlying areas or the freely associated States under this section.

(C) DEFINITION.—In this paragraph, the term "freely associated States" means the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(2) SECRETARY OF THE INTERIOR.—From the amount appropriated for any fiscal year under subsection (i), the Secretary shall reserve 1.226 percent to provide assistance to the Secretary of the Interior in accordance with subsection (h).

(c) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—The Secretary may reserve not more than ½ of 1 percent of the amounts appropriated under this part for each fiscal year to provide technical assistance activities authorized under section 616(i).

(2) MAXIMUM AMOUNT.—The maximum amount the Secretary may reserve under paragraph (1) for any fiscal year is $25,000,000, cumulatively adjusted by the rate of inflation as measured by the percentage increase, if any, from the preceding fiscal year in the Consumer Price Index For All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor.

(d) ALLOCATIONS TO STATES.—

(1) IN GENERAL.—After reserving funds for technical assistance, and for payments to the outlying areas, the freely associated States, and the Secretary of the Interior under subsections (b) and (c) for a fiscal year, the Secretary shall allocate the remaining amount among the States in accordance with this subsection.

(2) SPECIAL RULE FOR USE OF FISCAL YEAR 1999 AMOUNT.—If a State received any funds under this section for fiscal year 1999 on the basis of children aged 3 through 5, but does not make a free appropriate public education available to all children with disabilities aged 3 through 5 in the State in any subsequent fiscal year, the Secretary shall compute the State's amount for fiscal year 1999, solely for the purpose of calculating the State's allocation in that subsequent year under paragraph (3) or (4), by subtracting the amount allocated to the State for fiscal year 1999 on the basis of those children.

(3) INCREASE IN FUNDS.—If the amount available for allocations to States under paragraph (1) for a fiscal year is equal to or greater than the amount allocated to the States under

this paragraph for the preceding fiscal year, those allocations shall be calculated as follows:

(A) ALLOCATION OF INCREASE.—

(i) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall allocate for the fiscal year—

(I) to each State the amount the State received under this section for fiscal year 1999;

(II) 85 percent of any remaining funds to States on the basis of the States' relative populations of children aged 3 through 21 who are of the same age as children with disabilities for whom the State ensures the availability of a free appropriate public education under this part; and

(III) 15 percent of those remaining funds to States on the basis of the States' relative populations of children described in subclause (II) who are living in poverty.

(ii) DATA.—For the purpose of making grants under this paragraph, the Secretary shall use the most recent population data, including data on children living in poverty, that are available and satisfactory to the Secretary.

(B) LIMITATIONS.—Notwithstanding subparagraph (A), allocations under this paragraph shall be subject to the following:

(i) PRECEDING YEAR ALLOCATION.—No State's allocation shall be less than its allocation under this section for the preceding fiscal year.

(ii) MINIMUM.—No State's allocation shall be less than the greatest of—

(I) the sum of—

(aa) the amount the State received under this section for fiscal year 1999; and

(bb) ⅓ of 1 percent of the amount by which the amount appropriated under subsection (i) for the fiscal year exceeds the amount appropriated for this section for fiscal year 1999;

(II) the sum of—

(aa) the amount the State received under this section for the preceding fiscal year; and

(bb) that amount multiplied by the percentage by which the increase in the funds appropriated for this section from the preceding fiscal year exceeds 1.5 percent; or

(III) the sum of—

(aa) the amount the State received under this section for the preceding fiscal year; and

(bb) that amount multiplied by 90 percent of the percentage increase in the amount appropriated for this section from the preceding fiscal year.

(iii) MAXIMUM.—Notwithstanding clause (ii), no State's allocation under this paragraph shall exceed the sum of—

(I) the amount the State received under this section for the preceding fiscal year; and

(II) that amount multiplied by the sum of 1.5 percent and the percentage increase in the amount appropriated under this section from the preceding fiscal year.

(C) RATABLE REDUCTION.—If the amount available for allocations under this paragraph is insufficient to pay those allocations in full, those allocations shall be ratably reduced, subject to subparagraph (B)(i).

(4) DECREASE IN FUNDS.—If the amount available for allocations to States under paragraph (1) for a fiscal year is less than the amount allocated to the States under this section for the preceding fiscal year, those allocations shall be calculated as follows:

(A) AMOUNTS GREATER THAN FISCAL YEAR 1999 ALLOCATIONS.—If the amount available for allocations is greater than the amount allocated to the States for fiscal year 1999, each State shall be allocated the sum of—

(i) the amount the State received under this section for fiscal year 1999; and

(ii) an amount that bears the same relation to any remaining funds as the increase the State received under this section for the preceding fiscal year over fiscal year 1999 bears to the total of all such increases for all States.

(B) AMOUNTS EQUAL TO OR LESS THAN FISCAL YEAR 1999 ALLOCATIONS.—

(i) IN GENERAL.—If the amount available for allocations under this paragraph is equal to or less than the amount allocated to the States for fiscal year 1999, each State shall be allocated the amount the State received for fiscal year 1999.

(ii) RATABLE REDUCTION.—If the amount available for allocations under this paragraph is insufficient to make the allocations described in clause (i), those allocations shall be ratably reduced.

(e) STATE-LEVEL ACTIVITIES.—

(1) STATE ADMINISTRATION.—

(A) IN GENERAL.—For the purpose of administering this part, including paragraph (3), section 619, and the coordination of activities under this part with, and providing technical assistance to, other programs that provide services to children with disabilities—

(i) each State may reserve for each fiscal year not more than the maximum amount the State was eligible to reserve for State administration under this section for fiscal year 2004 or $800,000 (adjusted in accordance with subparagraph (B)), whichever is greater; and

(ii) each outlying area may reserve for each fiscal year not more than 5 percent of the amount the outlying area receives under subsection (b)(1) for the fiscal year or $35,000, whichever is greater.

(B) CUMULATIVE ANNUAL ADJUSTMENTS.—For each fiscal year beginning with fiscal year 2005, the Secretary shall cumulatively adjust—

(i) the maximum amount the State was eligible to reserve for State administration under this part for fiscal year 2004; and

(ii) $800,000,

by the rate of inflation as measured by the percentage increase, if any, from the preceding fiscal year in the Consumer Price Index For All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor.

(C) CERTIFICATION.—Prior to expenditure of funds under this paragraph, the State shall certify to the Secretary that the arrangements to establish responsibility for services pursuant to section 612(a)(12)(A) are current.

(D) PART C.—Funds reserved under subparagraph (A) may be used for the administration of part C, if the State educational agency is the lead agency for the State under such part.

(2) OTHER STATE-LEVEL ACTIVITIES.—

(A) STATE-LEVEL ACTIVITIES.—

(i) IN GENERAL.—Except as provided in clause (iii), for the purpose of carrying out State-level activities, each State may reserve for each of the fiscal years 2005 and 2006 not more than 10 percent from the amount of the State's allocation under subsection (d) for each of the fiscal years 2005 and 2006, respectively. For fiscal year 2007 and each subsequent fiscal year, the State may reserve the maximum amount the State was eligible to reserve under the preceding sentence for fiscal year 2006 (cumulatively adjusted by the rate of inflation as measured by the percentage increase, if any, from the preceding fiscal year in the Consumer Price Index For All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor).

(ii) SMALL STATE ADJUSTMENT.—Notwithstanding clause (i) and except as provided in clause (iii), in the case of a State for which the maximum amount reserved for State administration is not greater than $850,000, the State may reserve for the purpose of carrying out State-level activities for each of the fiscal years 2005 and 2006, not more than 10.5 percent from the amount of the State's allocation under subsection (d) for each of the fiscal years 2005 and 2006, respectively. For fiscal year 2007 and each subsequent fiscal year, such State may reserve the maximum amount the State was eligible to reserve under the preceding sentence for fiscal year 2006 (cumulatively adjusted by the rate of inflation as measured by the percentage increase, if any, from the preceding fiscal year in the Consumer Price Index For All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor).

(iii) EXCEPTION.—If a State does not reserve funds under paragraph (3) for a fiscal year, then—

(I) in the case of a State that is not described in clause (ii), for fiscal year 2005 or 2006, clause (i) shall be applied by substituting "9.0 percent" for "10 percent"; and

(II) in the case of a State that is described in clause (ii), for fiscal year 2005 or 2006, clause (ii) shall be applied by substituting "9.5 percent" for "10.5 percent".

(B) REQUIRED ACTIVITIES.—Funds reserved under subparagraph (A) shall be used to carry out the following activities:

(i) For monitoring, enforcement, and complaint investigation.

(ii) To establish and implement the mediation process required by section 615(e), including providing for the cost of mediators and support personnel.

(C) AUTHORIZED ACTIVITIES.—Funds reserved under subparagraph (A) may be used to carry out the following activities:

(i) For support and direct services, including technical assistance, personnel preparation, and professional development and training.

(ii) To support paperwork reduction activities, including expanding the use of technology in the IEP process.

(iii) To assist local educational agencies in providing positive behavioral interventions and supports and appropriate mental health services for children with disabilities.

(iv) To improve the use of technology in the classroom by children with disabilities to enhance learning.

(v) To support the use of technology, including technology with universal design principles and assistive technology devices, to maximize accessibility to the general education curriculum for children with disabilities.

(vi) Development and implementation of transition programs, including coordination of services with agencies involved in supporting the transition of children with disabilities to postsecondary activities.

(vii) To assist local educational agencies in meeting personnel shortages.

(viii) To support capacity building activities and improve the delivery of services by local educational agencies to improve results for children with disabilities.

(ix) Alternative programming for children with disabilities who have been expelled from school, and services for children with disabilities in correctional facilities, children enrolled in State-operated or State-supported schools, and children with disabilities in charter schools.

(x) To support the development and provision of appropriate accommodations for children with disabilities, or the development and provision of alternate assessments that are valid and reliable for assessing the performance of children with disabilities, in accordance with sections 1111(b) and 1201 of the Elementary and Secondary Education Act of 1965.

(xi) To provide technical assistance to schools and local educational agencies, and direct services, including direct student services described in section 1003A(c)(3) of the Elementary and Secondary Education Act of 1965 to children with disabilities, to schools or local educational agencies implementing comprehensive support and improvement activities or targeted support and improvement activities under section 1111(d) of the Elementary and Secondary Education Act of 1965 on the basis of consistent underperformance of the disaggregated subgroup of children with disabilities, including providing professional development to special and regular education teachers, who teach children with disabilities, based on scientifically based research to improve educational instruction, in order to improve academic achievement based on the challenging academic standards described in section 1111(b)(1) of such Act.

(3) LOCAL EDUCATIONAL AGENCY RISK POOL.—

(A) IN GENERAL.—

(i) RESERVATION OF FUNDS.—For the purpose of assisting local educational agencies (including a charter school that is a local educational agency or a consortium of local educational agencies) in addressing the needs of high need children with disabilities, each State shall have the option to reserve for each fiscal year 10 percent of the amount of funds the State reserves for State-level activities under paragraph (2)(A)—

(I) to establish and make disbursements from the high cost fund to local educational agencies in accordance with this paragraph during the first and succeeding fiscal years of the high cost fund; and

(II) to support innovative and effective ways of cost sharing by the State, by a local educational agency, or among a consortium of local educational agencies, as determined by the State in coordination with representatives from local educational agencies, subject to subparagraph (B)(ii).

(ii) DEFINITION OF LOCAL EDUCATIONAL AGENCY.—In this paragraph the term "local educational agency" includes a charter school that is a local educational agency, or a consortium of local educational agencies.

(B) LIMITATION ON USES OF FUNDS.—

(i) ESTABLISHMENT OF HIGH COST FUND.—A State shall not use any of the funds the State reserves pursuant to subparagraph (A)(i), but may use the funds

the State reserves under paragraph (1), to establish and support the high cost fund.

(ii) INNOVATIVE AND EFFECTIVE COST SHARING.—A State shall not use more than 5 percent of the funds the State reserves pursuant to subparagraph (A)(i) for each fiscal year to support innovative and effective ways of cost sharing among consortia of local educational agencies.

(C) STATE PLAN FOR HIGH COST FUND.—

(i) DEFINITION.—The State educational agency shall establish the State's definition of a high need child with a disability, which definition shall be developed in consultation with local educational agencies.

(ii) STATE PLAN.—The State educational agency shall develop, not later than 90 days after the State reserves funds under this paragraph, annually review, and amend as necessary, a State plan for the high cost fund. Such State plan shall—

(I) establish, in coordination with representatives from local educational agencies, a definition of a high need child with a disability that, at a minimum—

(aa) addresses the financial impact a high need child with a disability has on the budget of the child's local educational agency; and

(bb) ensures that the cost of the high need child with a disability is greater than 3 times the average per pupil expenditure (as defined in section 8101 of the Elementary and Secondary Education Act of 1965) in that State;

(II) establish eligibility criteria for the participation of a local educational agency that, at a minimum, takes into account the number and percentage of high need children with disabilities served by a local educational agency;

(III) develop a funding mechanism that provides distributions each fiscal year to local educational agencies that meet the criteria developed by the State under subclause (II); and

(IV) establish an annual schedule by which the State educational agency shall make its distributions from the high cost fund each fiscal year.

(iii) PUBLIC AVAILABILITY.—The State shall make its final State plan publicly available not less than 30 days before the beginning of the school year, including dissemination of such information on the State website.

(D) DISBURSEMENTS FROM THE HIGH COST FUND.—

(i) IN GENERAL.—Each State educational agency shall make all annual disbursements from the high cost fund established under subparagraph (A)(i) in accordance with the State plan published pursuant to subparagraph (C).

(ii) USE OF DISBURSEMENTS.—Each State educational agency shall make annual disbursements to

eligible local educational agencies in accordance with its State plan under subparagraph (C)(ii).

(iii) APPROPRIATE COSTS.—The costs associated with educating a high need child with a disability under subparagraph (C)(i) are only those costs associated with providing direct special education and related services to such child that are identified in such child's IEP.

(E) LEGAL FEES.—The disbursements under subparagraph (D) shall not support legal fees, court costs, or other costs associated with a cause of action brought on behalf of a child with a disability to ensure a free appropriate public education for such child.

(F) ASSURANCE OF A FREE APPROPRIATE PUBLIC EDUCATION.—Nothing in this paragraph shall be construed—

(i) to limit or condition the right of a child with a disability who is assisted under this part to receive a free appropriate public education pursuant to section 612(a)(1) in the least restrictive environment pursuant to section 612(a)(5); or

(ii) to authorize a State educational agency or local educational agency to establish a limit on what may be spent on the education of a child with a disability.

(G) SPECIAL RULE FOR RISK POOL AND HIGH NEED ASSISTANCE PROGRAMS IN EFFECT AS OF JANUARY 1, 2004.—Notwithstanding the provisions of subparagraphs (A) through (F), a State may use funds reserved pursuant to this paragraph for implementing a placement neutral cost sharing and reimbursement program of high need, low incidence, catastrophic, or extraordinary aid to local educational agencies that provides services to high need students based on eligibility criteria for such programs that were created not later than January 1, 2004, and are currently in operation, if such program serves children that meet the requirement of the definition of a high need child with a disability as described in subparagraph (C)(ii)(I).

(H) MEDICAID SERVICES NOT AFFECTED.—Disbursements provided under this paragraph shall not be used to pay costs that otherwise would be reimbursed as medical assistance for a child with a disability under the State medicaid program under title XIX of the Social Security Act.

(I) REMAINING FUNDS.—Funds reserved under subparagraph (A) in any fiscal year but not expended in that fiscal year pursuant to subparagraph (D) shall be allocated to local educational agencies for the succeeding fiscal year in the same manner as funds are allocated to local educational agencies under subsection (f) for the succeeding fiscal year.

(4) INAPPLICABILITY OF CERTAIN PROHIBITIONS.—A State may use funds the State reserves under paragraphs (1) and (2) without regard to—

(A) the prohibition on commingling of funds in section 612(a)(17)(B); and

(B) the prohibition on supplanting other funds in section 612(a)(17)(C).

(5) REPORT ON USE OF FUNDS.—As part of the information required to be submitted to the Secretary under section 612, each State shall annually describe how amounts under this section—

(A) will be used to meet the requirements of this title; and

(B) will be allocated among the activities described in this section to meet State priorities based on input from local educational agencies.

(6) SPECIAL RULE FOR INCREASED FUNDS.—A State may use funds the State reserves under paragraph (1)(A) as a result of inflationary increases under paragraph (1)(B) to carry out activities authorized under clause (i), (iii), (vii), or (viii) of paragraph (2)(C).

(7) FLEXIBILITY IN USING FUNDS FOR PART C.—Any State eligible to receive a grant under section 619 may use funds made available under paragraph (1)(A), subsection (f)(3), or section 619(f)(5) to develop and implement a State policy jointly with the lead agency under part C and the State educational agency to provide early intervention services (which shall include an educational component that promotes school readiness and incorporates preliteracy, language, and numeracy skills) in accordance with part C to children with disabilities who are eligible for services under section 619 and who previously received services under part C until such children enter, or are eligible under State law to enter, kindergarten, or elementary school as appropriate.

(f) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES.—

(1) SUBGRANTS REQUIRED.—Each State that receives a grant under this section for any fiscal year shall distribute any funds the State does not reserve under subsection (e) to local educational agencies (including public charter schools that operate as local educational agencies) in the State that have established their eligibility under section 613 for use in accordance with this part.

(2) PROCEDURE FOR ALLOCATIONS TO LOCAL EDUCATIONAL AGENCIES.—For each fiscal year for which funds are allocated to States under subsection (d), each State shall allocate funds under paragraph (1) as follows:

(A) BASE PAYMENTS.—The State shall first award each local educational agency described in paragraph (1) the amount the local educational agency would have received under this section for fiscal year 1999, if the State had distributed 75 percent of its grant for that year under section 611(d) as section 611(d) was then in effect.

(B) ALLOCATION OF REMAINING FUNDS.—After making allocations under subparagraph (A), the State shall—

(i) allocate 85 percent of any remaining funds to those local educational agencies on the basis of the relative numbers of children enrolled in public and private elementary schools and secondary schools within the local educational agency's jurisdiction; and

(ii) allocate 15 percent of those remaining funds to those local educational agencies in accordance with

their relative numbers of children living in poverty, as determined by the State educational agency.

(3) REALLOCATION OF FUNDS.—If a State educational agency determines that a local educational agency is adequately providing a free appropriate public education to all children with disabilities residing in the area served by that local educational agency with State and local funds, the State educational agency may reallocate any portion of the funds under this part that are not needed by that local educational agency to provide a free appropriate public education to other local educational agencies in the State that are not adequately providing special education and related services to all children with disabilities residing in the areas served by those other local educational agencies.

(g) DEFINITIONS.—In this section:

(1) AVERAGE PER-PUPIL EXPENDITURE IN PUBLIC ELEMENTARY SCHOOLS AND SECONDARY SCHOOLS IN THE UNITED STATES.—The term "average per-pupil expenditure in public elementary schools and secondary schools in the United States' means—

(A) without regard to the source of funds—

(i) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the determination is made (or, if satisfactory data for that year are not available, during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies in the 50 States and the District of Columbia; plus

(ii) any direct expenditures by the State for the operation of those agencies; divided by

(B) the aggregate number of children in average daily attendance to whom those agencies provided free public education during that preceding year.

(2) STATE.—The term "State" means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

(h) USE OF AMOUNTS BY SECRETARY OF THE INTERIOR.—

(1) PROVISION OF AMOUNTS FOR ASSISTANCE.—

(A) IN GENERAL.—The Secretary of Education shall provide amounts to the Secretary of the Interior to meet the need for assistance for the education of children with disabilities on reservations aged 5 to 21, inclusive, enrolled in elementary schools and secondary schools for Indian children operated or funded by the Secretary of the Interior. The amount of such payment for any fiscal year shall be equal to 80 percent of the amount allotted under subsection (b)(2) for that fiscal year. Of the amount described in the preceding sentence—

(i) 80 percent shall be allocated to such schools by July 1 of that fiscal year; and

(ii) 20 percent shall be allocated to such schools by September 30 of that fiscal year.

(B) CALCULATION OF NUMBER OF CHILDREN.—In the case of Indian students aged 3 to 5, inclusive, who are enrolled in programs affiliated with the Bureau of Indian Affairs (referred to in this subsection as the "BIA") schools and

that are required by the States in which such schools are located to attain or maintain State accreditation, and which schools have such accreditation prior to the date of enactment of the Individuals with Disabilities Education Act Amendments of 1991, the school shall be allowed to count those children for the purpose of distribution of the funds provided under this paragraph to the Secretary of the Interior. The Secretary of the Interior shall be responsible for meeting all of the requirements of this part for those children, in accordance with paragraph (2).

(C) ADDITIONAL REQUIREMENT.—With respect to all other children aged 3 to 21, inclusive, on reservations, the State educational agency shall be responsible for ensuring that all of the requirements of this part are implemented.

(2) SUBMISSION OF INFORMATION.—The Secretary of Education may provide the Secretary of the Interior amounts under paragraph (1) for a fiscal year only if the Secretary of the Interior submits to the Secretary of Education information that—

(A) demonstrates that the Department of the Interior meets the appropriate requirements, as determined by the Secretary of Education, of sections 612 (including monitoring and evaluation activities) and 613;

(B) includes a description of how the Secretary of the Interior will coordinate the provision of services under this part with local educational agencies, tribes and tribal organizations, and other private and Federal service providers;

(C) includes an assurance that there are public hearings, adequate notice of such hearings, and an opportunity for comment afforded to members of tribes, tribal governing bodies, and affected local school boards before the adoption of the policies, programs, and procedures related to the requirements described in subparagraph (A);

(D) includes an assurance that the Secretary of the Interior will provide such information as the Secretary of Education may require to comply with section 618;

(E) includes an assurance that the Secretary of the Interior and the Secretary of Health and Human Services have entered into a memorandum of agreement, to be provided to the Secretary of Education, for the coordination of services, resources, and personnel between their respective Federal, State, and local offices and with State and local educational agencies and other entities to facilitate the provision of services to Indian children with disabilities residing on or near reservations (such agreement shall provide for the apportionment of responsibilities and costs, including child find, evaluation, diagnosis, remediation or therapeutic measures, and (where appropriate) equipment and medical or personal supplies as needed for a child to remain in school or a program); and

(F) includes an assurance that the Department of the Interior will cooperate with the Department of Education in its exercise of monitoring and oversight of this application, and any agreements entered into between the Secretary of

the Interior and other entities under this part, and will fulfill its duties under this part.

(3) APPLICABILITY.—The Secretary shall withhold payments under this subsection with respect to the information described in paragraph (2) in the same manner as the Secretary withholds payments under section 616(e)(6).

(4) PAYMENTS FOR EDUCATION AND SERVICES FOR INDIAN CHILDREN WITH DISABILITIES AGED 3 THROUGH 5.—

(A) IN GENERAL.—With funds appropriated under subsection (i), the Secretary of Education shall make payments to the Secretary of the Interior to be distributed to tribes or tribal organizations (as defined under section 4 of the Indian Self-Determination and Education Assistance Act) or consortia of tribes or tribal organizations to provide for the coordination of assistance for special education and related services for children with disabilities aged 3 through 5 on reservations served by elementary schools and secondary schools for Indian children operated or funded by the Department of the Interior. The amount of such payments under subparagraph (B) for any fiscal year shall be equal to 20 percent of the amount allotted under subsection (b)(2).

(B) DISTRIBUTION OF FUNDS.—The Secretary of the Interior shall distribute the total amount of the payment under subparagraph (A) by allocating to each tribe, tribal organization, or consortium an amount based on the number of children with disabilities aged 3 through 5 residing on reservations as reported annually, divided by the total of those children served by all tribes or tribal organizations.

(C) SUBMISSION OF INFORMATION.—To receive a payment under this paragraph, the tribe or tribal organization shall submit such figures to the Secretary of the Interior as required to determine the amounts to be allocated under subparagraph (B). This information shall be compiled and submitted to the Secretary of Education.

(D) USE OF FUNDS.—The funds received by a tribe or tribal organization shall be used to assist in child find, screening, and other procedures for the early identification of children aged 3 through 5, parent training, and the provision of direct services. These activities may be carried out directly or through contracts or cooperative agreements with the BIA, local educational agencies, and other public or private nonprofit organizations. The tribe or tribal organization is encouraged to involve Indian parents in the development and implementation of these activities. The tribe or tribal organization shall, as appropriate, make referrals to local, State, or Federal entities for the provision of services or further diagnosis.

(E) BIENNIAL REPORT.—To be eligible to receive a grant pursuant to subparagraph (A), the tribe or tribal organization shall provide to the Secretary of the Interior a biennial report of activities undertaken under this paragraph, including the number of contracts and cooperative agreements entered into, the number of children contacted and

receiving services for each year, and the estimated number of children needing services during the 2 years following the year in which the report is made. The Secretary of the Interior shall include a summary of this information on a biennial basis in the report to the Secretary of Education required under this subsection. The Secretary of Education may require any additional information from the Secretary of the Interior.

(F) PROHIBITIONS.—None of the funds allocated under this paragraph may be used by the Secretary of the Interior for administrative purposes, including child count and the provision of technical assistance.

(5) PLAN FOR COORDINATION OF SERVICES.—The Secretary of the Interior shall develop and implement a plan for the coordination of services for all Indian children with disabilities residing on reservations covered under this title. Such plan shall provide for the coordination of services benefiting those children from whatever source, including tribes, the Indian Health Service, other BIA divisions, and other Federal agencies. In developing the plan, the Secretary of the Interior shall consult with all interested and involved parties. The plan shall be based on the needs of the children and the system best suited for meeting those needs, and may involve the establishment of cooperative agreements between the BIA, other Federal agencies, and other entities. The plan shall also be distributed upon request to States, State educational agencies and local educational agencies, and other agencies providing services to infants, toddlers, and children with disabilities, to tribes, and to other interested parties.

(6) ESTABLISHMENT OF ADVISORY BOARD.—To meet the requirements of section 612(a)(21), the Secretary of the Interior shall establish, under the BIA, an advisory board composed of individuals involved in or concerned with the education and provision of services to Indian infants, toddlers, children, and youth with disabilities, including Indians with disabilities, Indian parents or guardians of such children, teachers, service providers, State and local educational officials, representatives of tribes or tribal organizations, representatives from State Interagency Coordinating Councils under section 641 in States having reservations, and other members representing the various divisions and entities of the BIA. The chairperson shall be selected by the Secretary of the Interior. The advisory board shall—

(A) assist in the coordination of services within the BIA and with other local, State, and Federal agencies in the provision of education for infants, toddlers, and children with disabilities;

(B) advise and assist the Secretary of the Interior in the performance of the Secretary of the Interior's responsibilities described in this subsection;

(C) develop and recommend policies concerning effective inter- and intra-agency collaboration, including modifications to regulations, and the elimination of barriers to inter- and intra-agency programs and activities;

(D) provide assistance and disseminate information on best practices, effective program coordination strategies, and recommendations for improved early intervention services or educational programming for Indian infants, toddlers, and children with disabilities; and

(E) provide assistance in the preparation of information required under paragraph (2)(D).

(7) ANNUAL REPORTS.—

(A) IN GENERAL.—The advisory board established under paragraph (6) shall prepare and submit to the Secretary of the Interior and to Congress an annual report containing a description of the activities of the advisory board for the preceding year.

(B) AVAILABILITY.—The Secretary of the Interior shall make available to the Secretary of Education the report described in subparagraph (A).

(i) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, other than section 619, there are authorized to be appropriated—

(1) $12,358,376,571 for fiscal year 2005;
(2) $14,648,647,143 for fiscal year 2006;
(3) $16,938,917,714 for fiscal year 2007;
(4) $19,229,188,286 for fiscal year 2008;
(5) $21,519,458,857 for fiscal year 2009;
(6) $23,809,729,429 for fiscal year 2010;
(7) $26,100,000,000 for fiscal year 2011; and
(8) such sums as may be necessary for fiscal year 2012 and each succeeding fiscal year.

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ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

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TITLE I—IMPROVING THE ACADEMIC ACHIEVEMENT OF THE DISADVANTAGED

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PART A—IMPROVING BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

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Subpart 2—Allocations

SEC. 1121. GRANTS FOR THE OUTLYING AREAS AND THE SECRETARY OF THE INTERIOR.

(a) RESERVATION OF FUNDS.—Subject to subsection (e), from the amount appropriated for payments to States for any fiscal year under section 1002(a), the Secretary shall—

(1) reserve 0.4 percent to provide assistance to the outlying areas in accordance with subsection (b); and

(2) reserve 0.7 percent to provide assistance to the Secretary of the Interior in accordance with subsection (d).

(b) ASSISTANCE TO OUTLYING AREAS.—

(1) FUNDS RESERVED.—From the amount made available for any fiscal year under subsection (a)(1), the Secretary shall—

[(A) first reserve $1,000,000 for the Republic of Palau, until Palau enters into an agreement for extension of United States educational assistance under the Compact of Free Association, and subject to such terms and conditions as the Secretary may establish, except that Public Law 95–134, permitting the consolidation of grants, shall not apply; and]

(A) first reserve $1,000,000 for the Republic of Palau, subject to such terms and conditions as the Secretary may establish, except that Public Law 95–134, permitting the consolidation of grants, shall not apply; and

(B) use the remaining funds to award grants to the outlying areas in accordance with paragraphs (2) through (5).

(2) AMOUNT OF GRANTS.—The Secretary shall allocate the amount available under paragraph (1)(B) to the outlying areas in proportion to their relative numbers of children, aged 5 to 17, inclusive, from families below the poverty level, on the basis of the most recent satisfactory data available from the Department of Commerce.

(3) HOLD-HARMLESS AMOUNTS.—For each fiscal year, the amount made available to each outlying area under this subsection shall be—

(A) not less than 95 percent of the amount made available for the preceding fiscal year if the number of children counted under paragraph (2) is not less than 30 percent of the total number of children aged 5 to 17 years, inclusive, in the outlying area;

(B) not less than 90 percent of the amount made available for the preceding fiscal year if the percentage described in subparagraph (A) is between 15 percent and 30 percent; and

(C) not less than 85 percent of the amount made available for the preceding fiscal year if the percentage described in subparagraph (A) is below 15 percent.

(4) RATABLE REDUCTIONS.—If the amount made available under paragraph (1)(B) for any fiscal year is insufficient to pay the full amounts that the outlying areas are eligible to receive under paragraphs (2) and (3) for that fiscal year, the Secretary shall ratably reduce those amounts.

(5) USES.—Grant funds awarded under paragraph (1)(A) may be used only—

(A) for programs described in this Act, including teacher training, curriculum development, instructional materials, or general school improvement and reform; and

(B) to provide direct educational services that assist all students with meeting the challenging State academic standards.

(c) DEFINITIONS.—For the purpose of this section, the term "outlying area" means the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(d) ALLOTMENT TO THE SECRETARY OF THE INTERIOR.—

(1) IN GENERAL.—The amount allotted for payments to the Secretary of the Interior under subsection (a)(2) for any fiscal year shall be used, in accordance with such criteria as the Secretary may establish, to meet the unique educational needs of—

(A) Indian children on reservations served by elementary schools and secondary schools for Indian children operated or supported by the Department of the Interior; and

(B) out-of-State Indian children in elementary schools and secondary schools in local educational agencies under special contracts with the Department of the Interior.

(2) PAYMENTS.—From the amount allotted for payments to the Secretary of the Interior under subsection (a)(2), the Secretary of the Interior shall make payments to local educational agencies, on such terms as the Secretary determines will best carry out the purposes of this part, with respect to out-of-State Indian children described in paragraph (1). The amount of such payment may not exceed, for each such child, the greater of—

(A) 40 percent of the average per-pupil expenditure in the State in which the agency is located; or

(B) 48 percent of such expenditure in the United States.

(e) LIMITATION ON APPLICABILITY.—If, by reason of the application of subsection (a) for any fiscal year, the total amount available for allocation to all States under this part would be less than the amount allocated to all States for fiscal year 2016 under this part, the Secretary shall provide assistance to the outlying areas and the Secretary of the Interior in accordance with this section, as in effect on the day before the date of enactment of the Every Student Succeeds Act.

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TITLE VIII—GENERAL PROVISIONS

PART A—DEFINITIONS

SEC. 8101. DEFINITIONS.

Except as otherwise provided, in this Act:

(1) AVERAGE DAILY ATTENDANCE.—

(A) IN GENERAL.—Except as provided otherwise by State law or this paragraph, the term "average daily attendance" means—

(i) the aggregate number of days of attendance of all students during a school year; divided by

(ii) the number of days school is in session during that year.

(B) CONVERSION.—The Secretary shall permit the conversion of average daily membership (or other similar data) to average daily attendance for local educational agencies in States that provide State aid to local educational agencies on the basis of average daily membership (or other similar data).

(C) SPECIAL RULE.—If the local educational agency in which a child resides makes a tuition or other payment for the free public education of the child in a school located in another school district, the Secretary shall, for the purpose of this Act—

(i) consider the child to be in attendance at a school of the agency making the payment; and

(ii) not consider the child to be in attendance at a school of the agency receiving the payment.

(D) CHILDREN WITH DISABILITIES.—If a local educational agency makes a tuition payment to a private school or to a public school of another local educational agency for a child with a disability, as defined in section 602 of the Individuals with Disabilities Education Act, the Secretary shall, for the purpose of this Act, consider the child to be in attendance at a school of the agency making the payment.

(2) AVERAGE PER-PUPIL EXPENDITURE.—The term "average per-pupil expenditure" means, in the case of a State or of the United States—

(A) without regard to the source of funds—

(i) the aggregate current expenditures, during the third fiscal year preceding the fiscal year for which the determination is made (or, if satisfactory data for that year are not available, during the most recent preceding fiscal year for which satisfactory data are available) of all local educational agencies in the State or, in the case of the United States, for all States (which, for the purpose of this paragraph, means the 50 States and the District of Columbia); plus

(ii) any direct current expenditures by the State for the operation of those agencies; divided by

(B) the aggregate number of children in average daily attendance to whom those agencies provided free public education during that preceding year.

(3) CHILD.—The term "child" means any person within the age limits for which the State provides free public education.

(4) CHILD WITH A DISABILITY.—The term "child with a disability" has the same meaning given that term in section 602 of the Individuals with Disabilities Education Act.

(5) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" means a public or private nonprofit organization of demonstrated effectiveness that—

(A) is representative of a community or significant segments of a community; and

(B) provides educational or related services to individuals in the community.

(6) CONSOLIDATED LOCAL APPLICATION.—The term "consolidated local application" means an application submitted by a local educational agency pursuant to section 8305.

(7) CONSOLIDATED LOCAL PLAN.—The term "consolidated local plan" means a plan submitted by a local educational agency pursuant to section 8305.

(8) CONSOLIDATED STATE APPLICATION.—The term "consolidated State application" means an application submitted by a State educational agency pursuant to section 8302.

(9) CONSOLIDATED STATE PLAN.—The term "consolidated State plan" means a plan submitted by a State educational agency pursuant to section 8302.

(10) COUNTY.—The term "county" means one of the divisions of a State used by the Secretary of Commerce in compiling and reporting data regarding counties.

(11) COVERED PROGRAM.—The term "covered program" means each of the programs authorized by—

(A) part A of title I;
(B) part C of title I;
(C) part D of title I;
(D) part A of title II;
(E) part A of title III;
(F) part A of title IV;
(G) part B of title IV; and
(H) subpart 2 of part B of title V.

(12) CURRENT EXPENDITURES.—The term "current expenditures" means expenditures for free public education—

(A) including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities; but

(B) not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds received under title I.

(13) DEPARTMENT.—The term "Department" means the Department of Education.

(14) DISTANCE LEARNING.—The term "distance learning" means the transmission of educational or instructional programming to geographically dispersed individuals and groups via telecommunications.

(15) DUAL OR CONCURRENT ENROLLMENT PROGRAM.—The term "dual or concurrent enrollment program" means a program offered by a partnership between at least one institution of higher education and at least one local educational agency through which a secondary school student who has not graduated from high school with a regular high school diploma is able to enroll in one or more postsecondary courses and earn postsecondary credit that—

(A) is transferable to the institutions of higher education in the partnership; and

(B) applies toward completion of a degree or recognized educational credential as described in the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(16) EARLY CHILDHOOD EDUCATION PROGRAM.—The term "early childhood education program" has the meaning given the term in section 103 of the Higher Education Act of 1965 (20 U.S.C. 1003).

(17) EARLY COLLEGE HIGH SCHOOL.—The term "early college high school" means a partnership between at least one local educational agency and at least one institution of higher education that allows participants to simultaneously complete requirements toward earning a regular high school diploma and earn not less than 12 credits that are transferable to the institutions of higher education in the partnership as part of an organized course of study toward a postsecondary degree or credential at no cost to the participant or participant's family.

(18) EDUCATIONAL SERVICE AGENCY.—The term "educational service agency" means a regional public multiservice agency authorized by State statute to develop, manage, and provide services or programs to local educational agencies.

(19) ELEMENTARY SCHOOL.—The term "elementary school" means a nonprofit institutional day or residential school, including a public elementary charter school, that provides elementary education, as determined under State law.

(20) ENGLISH LEARNER.—The term "English learner", when used with respect to an individual, means an individual—

(A) who is aged 3 through 21;

(B) who is enrolled or preparing to enroll in an elementary school or secondary school;

(C)(i) who was not born in the United States or whose native language is a language other than English;

(ii)(I) who is a Native American or Alaska Native, or a native resident of the outlying areas; and

(II) who comes from an environment where a language other than English has had a significant impact on the individual's level of English language proficiency; or

(iii) who is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and

(D) whose difficulties in speaking, reading, writing, or understanding the English language may be sufficient to deny the individual—

(i) the ability to meet the challenging State academicstandards;

(ii) the ability to successfully achieve in classrooms where the language of instruction is English; or

(iii) the opportunity to participate fully in society.

(21) EVIDENCE-BASED.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term "evidence-based", when used with respect to a State, local educational agency, or school activity, means an activity, strategy, or intervention that—

(i) demonstrates a statistically significant effect on improving student outcomes or other relevant outcomes based on—

(I) strong evidence from at least 1 well-designed and well-implemented experimental study;

(II) moderate evidence from at least 1 well-designed and well-implemented quasi-experimental study; or

(III) promising evidence from at least 1 well-designed and well-implemented correlational study with statistical controls for selection bias; or

(ii)(I) demonstrates a rationale based on high-quality research findings or positive evaluation that such activity, strategy, or intervention is likely to improve student outcomes or other relevant outcomes; and

(II) includes ongoing efforts to examine the effects of such activity, strategy, or intervention.

(B) DEFINITION FOR SPECIFIC ACTIVITIES FUNDED UNDER THIS ACT.—When used with respect to interventions or improvement activities or strategies funded under section 1003, the term "evidence-based" means a State, local educational agency, or school activity, strategy, or intervention that meets the requirements of subclause (I), (II), or (III) of subparagraph (A)(i).

(22) EXPANDED LEARNING TIME.—The term "expanded learning time" means using a longer school day, week, or year schedule to significantly increase the total number of school hours, in order to include additional time for—

(A) activities and instruction for enrichment as part of a well-rounded education; and

(B) instructional and support staff to collaborate, plan, and engage in professional development (including professional development on family and community engagement) within and across grades and subjects.

(23) EXTENDED-YEAR ADJUSTED COHORT GRADUATION RATE.—

(A) IN GENERAL.—The term "extended-year adjusted cohort graduation rate" means the fraction—

(i) the denominator of which consists of the number of students who form the original cohort of entering first-time students in grade 9 enrolled in the high school no later than the date by which student membership data must be collected annually by State educational agencies for submission to the National Center for Education Statistics under section 153 of the Education Sciences Reform Act of 2002 (20 U.S.C. 9543), adjusted by—

(I) adding the students who joined that cohort, after the date of the determination of the original cohort; and

(II) subtracting only those students who left that cohort, after the date of the determination of the original cohort, as described in subparagraph (B); and

(ii) the numerator of which—

(I) consists of the sum of—

(aa) the number of students in the cohort, as adjusted under clause (i), who earned a regular high school diploma before, during, or at the conclusion of—

(AA) one or more additional years beyond the fourth year of high school; or

(BB) a summer session immediately following the additional year of high school; and

(bb) all students with the most significant cognitive disabilities in the cohort, as adjusted under clause (i), assessed using the alternate assessment aligned to alternate academic achievement standards under section 1111(b)(2)(D) and awarded a State-defined alternate diploma that is—

(AA) standards-based;

(BB) aligned with the State requirements for the regular high school diploma; and

(CC) obtained within the time period for which the State ensures the availability of a free appropriate public education under section 612(a)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(1)); and

(II) shall not include any student awarded a recognized equivalent of a diploma, such as a general equivalency diploma, certificate of completion, certificate of attendance, or similar lesser credential.

(B) COHORT REMOVAL.—To remove a student from a cohort, a school or local educational agency shall require documentation, or obtain documentation from the State educational agency, to confirm that the student has transferred out, emigrated to another country, or transferred to a prison or juvenile facility, or is deceased.

(C) TRANSFERRED OUT.—For purposes of this paragraph, the term "transferred out" has the meaning given the term in clauses (i), (ii), and (iii) of paragraph (25)(C).

(D) SPECIAL RULES.—

(i) SCHOOLS STARTING AFTER GRADE 9.—For those high schools that start after grade 9, the original cohort shall be calculated for the earliest high school grade students attend no later than the date by which student membership data is collected annually by State educational agencies for submission to the National Center for Education Statistics pursuant to section 153 of the Education Sciences Reform Act of 2002 (20 U.S.C. 9543).

(ii) VERY SMALL SCHOOLS.—A State educational agency may calculate the extended year adjusted cohort graduation rate described under this paragraph for a high school with an average enrollment over a 4-year period of less than 100 students for the purposes of section 1111(c)(4) by—

(I) averaging the extended-year adjusted cohort graduation rate of the school over a period of three years; or

(II) establishing a minimum number of students that must be included in the cohort described in clause (i) of subparagraph (A) that will provide a valid graduation rate calculation as determined by the Secretary, below which the school shall be exempt from differentiation and identification under such section.

(24) FAMILY LITERACY SERVICES.—The term "family literacy services" means services provided to participants on a voluntary basis that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family, and that integrate all of the following activities:

(A) Interactive literacy activities between parents and their children.

(B) Training for parents regarding how to be the primary teacher for their children and full partners in the education of their children.

(C) Parent literacy training that leads to economic self-sufficiency.

(D) An age-appropriate education to prepare children for success in school and life experiences.

(25) FOUR-YEAR ADJUSTED COHORT GRADUATION RATE.—

(A) IN GENERAL.—The term "four-year adjusted cohort graduation rate" means the fraction—

(i) the denominator of which consists of the number of students who form the original cohort of entering first-time students in grade 9 enrolled in the high school no later than the date by which student membership data is collected annually by State educational agencies for submission to the National Center for Education Statistics pursuant to section 153 of the Education Sciences Reform Act of 2002 (20 U.S.C. 9543), adjusted by—

(I) adding the students who joined that cohort, after the date of the determination of the original cohort; and

(II) subtracting only those students who left that cohort, after the date of the determination of the original cohort, as described in subparagraph (B); and

(ii) the numerator of which—

(I) consists of the sum of—

(aa) the number of students in the cohort, as adjusted under clause (i), who earned a regular high school diploma before, during, or at the conclusion of—

(AA) the fourth year of high school; or

(BB) a summer session immediately following the fourth year of high school; and

(bb) all students with the most significant cognitive disabilities in the cohort, as adjusted under clause (i), assessed using the alternate assessment aligned to alternate academic achievement standards under section

1111(b)(2)(D) and awarded a State-defined alternate diploma that is—

(AA) standards-based;

(BB) aligned with the State requirements for the regular high school diploma; and

(CC) obtained within the time period for which the State ensures the availability of a free appropriate public education under section 612(a)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(1); and

(II) shall not include any student awarded a recognized equivalent of a diploma, such as a general equivalency diploma, certificate of completion, certificate of attendance, or similar lesser credential.

(B) COHORT REMOVAL.—To remove a student from a cohort, a school or local educational agency shall require documentation, or obtain documentation from the State educational agency, to confirm that the student has transferred out, emigrated to another country, or transferred to a prison or juvenile facility, or is deceased.

(C) TRANSFERRED OUT.—

(i) IN GENERAL.—For purposes of this paragraph, the term "transferred out" means that a student, as confirmed by the high school or local educational agency in accordance with clause (ii), has transferred to—

(I) another school from which the student is expected to receive a regular high school diploma; or

(II) another educational program from which the student is expected to receive a regular high school diploma or an alternate diploma that meets the requirements of subparagraph (A)(ii)(I)(bb).

(ii) CONFIRMATION REQUIREMENTS.—

(I) DOCUMENTATION REQUIRED.—The confirmation of a student's transfer to another school or educational program described in clause (i) requires documentation of such transfer from the receiving school or program in which the student enrolled.

(II) LACK OF CONFIRMATION.—A student who was enrolled in a high school, but for whom there is no confirmation of the student having transferred out, shall remain in the adjusted cohort.

(iii) PROGRAMS NOT PROVIDING CREDIT.—Except as provided in subparagraph (A)(ii)(I)(bb), a student who is retained in grade or who is enrolled in a program leading to a general equivalency diploma, or other alternative educational program that does not issue or provide credit toward the issuance of a regular high school diploma, shall not be considered transferred out and shall remain in the adjusted cohort.

(D) SPECIAL RULES.—

(i) SCHOOLS STARTING AFTER GRADE 9.—For those high schools that start after grade 9, the original co-

hort shall be calculated for the earliest high school grade students attend no later than the date by which student membership data must be collected annually by State educational agencies for submission to the National Center for Education Statistics pursuant to section 153 of the Education Sciences Reform Act of 2002 (20 U.S.C. 9543).

(ii) VERY SMALL SCHOOLS.—A State educational agency may calculate the four-year adjusted cohort graduation rate described under this paragraph for a high school with an average enrollment over a 4-year period of less than 100 students for the purposes of section 1111(c)(4) by—

(I) averaging the four-year adjusted cohort graduation rate of the school over a period of three years; or

(II) establishing a minimum number of students that must be included in the cohort described in clause (i) of subparagraph (A) that will provide a valid graduation rate calculation as determined by the Secretary, below which the school shall be exempt from differentiation and identification under such section.

(26) FREE PUBLIC EDUCATION.—The term "free public education" means education that is provided—

(A) at public expense, under public supervision and direction, and without tuition charge; and

(B) as elementary school or secondary school education as determined under applicable State law, except that the term does not include any education provided beyond grade 12.

(27) GIFTED AND TALENTED.—The term "gifted and talented", when used with respect to students, children, or youth, means students, children, or youth who give evidence of high achievement capability in areas such as intellectual, creative, artistic, or leadership capacity, or in specific academic fields, and who need services or activities not ordinarily provided by the school in order to fully develop those capabilities.

(28) HIGH SCHOOL.—The term "high school" means a secondary school that—

(A) grants a diploma, as defined by the State; and

(B) includes, at least, grade 12.

(29) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given that term in section 101(a) of the Higher Education Act of 1965.

(30) LOCAL EDUCATIONAL AGENCY.—

(A) IN GENERAL.—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 of or for a combination of school districts or counties that is recognized in a State as an ad-

ministrative agency for its public elementary schools or secondary schools.

(B) ADMINISTRATIVE CONTROL AND DIRECTION.—The term includes any other public institution or agency having administrative control and direction of a public elementary school or secondary school.

(C) BUREAU OF INDIAN EDUCATION SCHOOLS.—The term includes an elementary school or secondary school funded by the Bureau of Indian Education but only to the extent that including the school makes the school eligible for programs for which specific eligibility is not provided to the school in another provision of law and the school does not have a student population that is smaller than the student population of the local educational agency receiving assistance under this Act with the smallest student population, except that the school shall not be subject to the jurisdiction of any State educational agency other than the Bureau of Indian Education.

(D) EDUCATIONAL SERVICE AGENCIES.—The term includes educational service agencies and consortia of those agencies.

(E) STATE EDUCATIONAL AGENCY.—The term includes the State educational agency in a State in which the State educational agency is the sole educational agency for all public schools.

(31) MENTORING.—The term "mentoring", except when used to refer to teacher mentoring, means a process by which a responsible adult, postsecondary student, or secondary school student 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.

(32) MIDDLE GRADES.—The term middle grades means any of grades 5 through 8.

(33) MULTI-TIER SYSTEM OF SUPPORTS.—The term "multi-tier system of supports" means a comprehensive continuum of evidence-based, systemic practices to support a rapid response to students' needs, with regular observation to facilitate data-based instructional decisionmaking.

(34) NATIVE AMERICAN AND NATIVE AMERICAN LANGUAGE.—The terms "Native American" and "Native American language" have the same meaning given those terms in section 103 of the Native American Languages Act of 1990.

(35) OTHER STAFF.—The term "other staff" means specialized instructional support personnel, librarians, career guidance and counseling personnel, education aides, and other instructional and administrative personnel.

[(36) OUTLYING AREA.—The term "outlying area"—

[(A) means American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the United States Virgin Islands;

[(B) means the Republic of Palau, to the extent permitted under section 105(f)(1)(B)(ix) of the Compact of Free Association Amendments Act of 2003 (Public Law 108-188;

117 Stat. 2751) and until an agreement for the extension of United States education assistance under the Compact of Free Association becomes effective for the Republic of Palau; and

[(C) for the purpose of any discretionary grant program under this Act, includes the Republic of the Marshall Islands and the Federated States of Micronesia, to the extent permitted under section 105(f)(1)(B)(viii) of the Compact of Free Association Amendments Act of 2003 (Public Law 108–188; 117 Stat. 2751).]

(36) OUTLYING AREA.—The term "outlying area"—

(A) means American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the United States Virgin Islands; and

(B) for the purpose of any discretionary grant program under this Act, includes the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, to the extent that any such grant program continues to be available to State and local governments in the United States.

(37) PARAPROFESSIONAL.—The term "paraprofessional", also known as a "paraeducator", includes an education assistant and instructional assistant.

(38) PARENT.—The term "parent" includes a legal guardian or other person standing in loco parentis (such as a grandparent or stepparent with whom the child lives, or a person who is legally responsible for the child's welfare).

(39) PARENTAL INVOLVEMENT.—The term "parental involvement" means the participation of parents in regular, two-way, and meaningful communication involving student academic learning and other school activities, including ensuring—

(A) that parents play an integral role in assisting their child's learning;

(B) that parents are encouraged to be actively involved in their child's education at school;

(C) that parents are full partners in their child's education and are included, as appropriate, in decisionmaking and on advisory committees to assist in the education of their child; and

(D) the carrying out of other activities, such as those described in section 1116.

(40) PAY FOR SUCCESS INITIATIVE.—The term "pay for success initiative" means a performance-based grant, contract, or cooperative agreement awarded by a public entity in which a commitment is made to pay for improved outcomes that result in social benefit and direct cost savings or cost avoidance to the public sector. Such an initiative shall include—

(A) a feasibility study on the initiative describing how the proposed intervention is based on evidence of effectiveness;

(B) a rigorous, third-party evaluation that uses experimental or quasi-experimental design or other research methodologies that allow for the strongest possible causal inferences to determine whether the initiative has met its proposed outcomes;

(C) an annual, publicly available report on the progress of the initiative; and

(D) a requirement that payments are made to the recipient of a grant, contract, or cooperative agreement only when agreed upon outcomes are achieved, except that the entity may make payments to the third party conducting the evaluation described in subparagraph (B).

(41) 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) applicable to a family of the size involved.

(42) PROFESSIONAL DEVELOPMENT.—The term "professional development" means activities that—

(A) are an integral part of school and local educational agency strategies for providing educators (including teachers, principals, other school leaders, specialized instructional support personnel, paraprofessionals, and, as applicable, early childhood educators) with the knowledge and skills necessary to enable students to succeed in a well-rounded education and to meet the challenging State academic standards; and

(B) are sustained (not stand-alone, 1-day, or short term workshops), intensive, collaborative, job-embedded, data-driven, and classroom-focused, and may include activities that—

(i) improve and increase teachers'—

(I) knowledge of the academic subjects the teachers teach;

(II) understanding of how students learn; and

(III) ability to analyze student work and achievement from multiple sources, including how to adjust instructional strategies, assessments, and materials based on such analysis;

(ii) are an integral part of broad schoolwide and districtwide educational improvement plans;

(iii) allow personalized plans for each educator to address the educator's specific needs identified in observation or other feedback;

(iv) improve classroom management skills;

(v) support the recruitment, hiring, and training of effective teachers, including teachers who became certified through State and local alternative routes to certification;

(vi) advance teacher understanding of—

(I) effective instructional strategies that are evidence-based; and

(II) strategies for improving student academic achievement or substantially increasing the knowledge and teaching skills of teachers;

(vii) are aligned with, and directly related to, academic goals of the school or local educational agency;

(viii) are developed with extensive participation of teachers, principals, other school leaders, parents, rep-

resentatives of Indian tribes (as applicable), and administrators of schools to be served under this Act;

(ix) are designed to give teachers of English learners, and other teachers and instructional staff, the knowledge and skills to provide instruction and appropriate language and academic support services to those children, including the appropriate use of curricula and assessments;

(x) to the extent appropriate, provide training for teachers, principals, and other school leaders in the use of technology (including education about the harms of copyright piracy), so that technology and technology applications are effectively used in the classroom to improve teaching and learning in the curricula and academic subjects in which the teachers teach;

(xi) as a whole, are regularly evaluated for their impact on increased teacher effectiveness and improved student academic achievement, with the findings of the evaluations used to improve the quality of professional development;

(xii) are designed to give teachers of children with disabilities or children with developmental delays, and other teachers and instructional staff, the knowledge and skills to provide instruction and academic support services, to those children, including positive behavioral interventions and supports, multi-tier system of supports, and use of accommodations;

(xiii) include instruction in the use of data and assessments to inform and instruct classroom practice;

(xiv) include instruction in ways that teachers, principals, other school leaders, specialized instructional support personnel, and school administrators may work more effectively with parents and families;

(xv) involve the forming of partnerships with institutions of higher education, including, as applicable, Tribal Colleges and Universities as defined in section 316(b) of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)), to establish school-based teacher, principal, and other school leader training programs that provide prospective teachers, novice teachers, principals, and other school leaders with an opportunity to work under the guidance of experienced teachers, principals, other school leaders, and faculty of such institutions;

(xvi) create programs to enable paraprofessionals (assisting teachers employed by a local educational agency receiving assistance under part A of title I) to obtain the education necessary for those paraprofessionals to become certified and licensed teachers;

(xvii) provide follow-up training to teachers who have participated in activities described in this paragraph that are designed to ensure that the knowledge and skills learned by the teachers are implemented in the classroom; and

(xviii) where practicable, provide jointly for school staff and other early childhood education program providers, to address the transition to elementary school, including issues related to school readiness.

(43) REGULAR HIGH SCHOOL DIPLOMA.—The term "regular high school diploma"—

(A) means the standard high school diploma awarded to the preponderance of students in the State that is fully aligned with State standards, or a higher diploma, except that a regular high school diploma shall not be aligned to the alternate academic achievement standards described in section 1111(b)(1)(E); and

(B) does not include a recognized equivalent of a diploma, such as a general equivalency diploma, certificate of completion, certificate of attendance, or similar lesser credential.

(44) SCHOOL LEADER.—The term "school leader" means a principal, assistant principal, or other individual who is—

(A) an employee or officer of an elementary school or secondary school, local educational agency, or other entity operating an elementary school or secondary school; and

(B) responsible for the daily instructional leadership and managerial operations in the elementary school or secondary school building.

(45) SECONDARY SCHOOL.—The term "secondary school" means a nonprofit institutional day or residential school, including a public secondary charter school, that provides secondary education, as determined under State law, except that the term does not include any education beyond grade 12.

(46) SECRETARY.—The term "Secretary" means the Secretary of Education.

(47) SPECIALIZED INSTRUCTIONAL SUPPORT PERSONNEL; SPECIALIZED INSTRUCTIONAL SUPPORT SERVICES.—

(A) SPECIALIZED INSTRUCTIONAL SUPPORT PERSONNEL.—The term "specialized instructional support personnel" means—

(i) school counselors, school social workers, and school psychologists; and

(ii) other qualified professional personnel, such as school nurses, speech language pathologists, and school librarians, involved in providing assessment, diagnosis, counseling, educational, therapeutic, and other necessary services (including related services as that term is defined in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401)) as part of a comprehensive program to meet student needs.

(B) SPECIALIZED INSTRUCTIONAL SUPPORT SERVICES.—The term "specialized instructional support services" means the services provided by specialized instructional support personnel.

(48) STATE.—The term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas.

(49) STATE EDUCATIONAL AGENCY.—The term "State educational agency" means the agency primarily responsible for the State supervision of public elementary schools and secondary schools.

(50) TECHNOLOGY.—The term "technology" means modern information, computer and communication technology products, services, or tools, including, the Internet and other communications networks, computer devices and other computer and communications hardware, software applications, data systems, and other electronic content (including multimedia content) and data storage.

(51) UNIVERSAL DESIGN FOR LEARNING.—The term "universal design for learning" has the meaning given the term in section 103 of the Higher Education Act of 1965 (20 U.S.C. 1003).

(52) WELL-ROUNDED EDUCATION.—The term "well-rounded education" means courses, activities, and programming in subjects such as English, reading or language arts, writing, science, technology, engineering, mathematics, foreign languages, civics and government, economics, arts, history, geography, computer science, music, career and technical education, health, physical education, and any other subject, as determined by the State or local educational agency, with the purpose of providing all students access to an enriched curriculum and educational experience.

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COMPACT OF FREE ASSOCIATION AMENDMENTS ACT OF 2003

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TITLE I—APPROVAL OF U.S.-FSM COMPACT AND U.S.-RMI COMPACT; INTERPRETATION OF, AND U.S. POLICIES REGARDING, U.S.-FSM COMPACT AND U.S.-RMI COMPACT; SUPPLEMENTAL PROVISIONS

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SEC. 104. INTERPRETATION OF AND UNITED STATES POLICY REGARDING U.S.-FSM COMPACT AND U.S.-RMI COMPACT.

(a) HUMAN RIGHTS.—In approving the U.S.-FSM Compact and the U.S.-RMI Compact, Congress notes the conclusion in the Statement of Intent of the Report of The Future Political Status Commission of the Congress of Micronesia in July, 1969, that "our recommendation of a free associated state is indissolubly linked to our desire for such a democratic, representative, constitutional government" and notes that such desire and intention are reaffirmed and embodied in the Constitutions of the Federated States of Micronesia and the Republic of the Marshall Islands. Congress also notes and specifically endorses the preamble to the U.S.-FSM Compact

and the U.S.-RMI Compact, which affirms that the governments of the parties to the U.S.-FSM Compact and the U.S.-RMI Compact are founded upon respect for human rights and fundamental freedoms for all. The Secretary of State shall include in the annual reports on the status of internationally recognized human rights in foreign countries, which are submitted to Congress pursuant to sections 116 and 502B of the Foreign Assistance Act of 1961, "22 U.S.C. 2151n, 2304" a full and complete report regarding the status of internationally recognized human rights in the Federated States of Micronesia and the Republic of the Marshall Islands.

(b) IMMIGRATION AND PASSPORT SECURITY.—

(1) NATURALIZED CITIZENS.—The rights of a bona fide naturalized citizen of the Federated States of Micronesia or the Republic of the Marshall Islands to enter the United States, to lawfully engage therein in occupations, and to establish residence therein as a nonimmigrant, to the extent such rights are provided under section 141 of the U.S.-FSM Compact and the U.S.-RMI Compact, shall not be deemed to extend to any such naturalized citizen with respect to whom circumstances associated with the acquisition of the status of a naturalized citizen are such as to allow a reasonable inference, on the part of appropriate officials of the United States and subject to United States procedural requirements, that such naturalized status was acquired primarily in order to obtain such rights.

(2) PASSPORTS.—It is the sense of Congress that up to $250,000 of the grant assistance provided to the Federated States of Micronesia pursuant to section 211(a)(4) of the U.S.-FSM Compact, and up to $250,000 of the grant assistance provided to the Republic of the Marshall Islands pursuant to section 211(a)(4) of the U.S.-RMI Compact (or a greater amount of the section 211(a)(4) grant, if mutually agreed between the Government of the United States and the government of the Federated States of Micronesia or the government of the Republic of the Marshall Islands), be used for the purpose of increasing the machine-readability and security of passports issued by such jurisdictions. It is further the sense of Congress that such funds be obligated by September 30, 2004 and in the amount and manner specified by the Secretary of State in consultation with the Secretary of Homeland Security and, respectively, with the government of the Federated States of Micronesia and the government of the Republic of the Marshall Islands. The United States Government is authorized to require that passports used for the purpose of seeking admission under section 141 of the U.S.-FSM Compact and the U.S.-RMI Compact contain the security enhancements funded by such assistance.

(3) INFORMATION-SHARING.—It is the sense of Congress that the governments of the Federated States of Micronesia and the Republic of the Marshall Islands develop, prior to October 1, 2004, the capability to provide reliable and timely information as may reasonably be required by the Government of the United States in enforcing criminal and security-related grounds of inadmissibility and deportability under the Immigration and Nationality Act, as amended, and shall provide such information to the Government of the United States.

(4) TRANSITION; CONSTRUCTION OF SECTIONS 141(A)(3) AND 141(A)(4) OF THE U.S.-FSM COMPACT AND U.S.-RMI COMPACT.—The words "the effective date of this Compact, as amended" in sections 141(a)(3) and 141(a)(4) of the U.S.-FSM Compact and the U.S.-RMI Compact shall be construed to read, "on the day prior to the enactment by the United States Congress of the Compact of Free Association Amendments Act of 2003.".

(c) NONALIENATION OF LANDS.—Congress endorses and encourages the maintenance of the policies of the Government of the Federated States of Micronesia and the Government of the Republic of the Marshall Islands to regulate, in accordance with their Constitutions and laws, the alienation of permanent interests in real property so as to restrict the acquisition of such interests to persons of Federated States of Micronesia citizenship and the Republic of the Marshall Islands citizenship, respectively.

(d) NUCLEAR WASTE DISPOSAL.—In approving the U.S.-FSM Compact and the U.S.-RMI Compact, Congress understands that the Government of the Federated States of Micronesia and the Government of the Republic of the Marshall Islands will not permit any other government or any nongovernmental party to conduct, in the Republic of the Marshall Islands or in the Federated States of Micronesia, any of the activities specified in subsection (a) of section 314 of the U.S.-FSM Compact and the U.S.-RMI Compact.

(e) IMPACT OF THE U.S.-FSM COMPACT AND THE U.S.-RMI COMPACT ON THE STATE OF HAWAII, GUAM, THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS AND AMERICAN SAMOA; RELATED AUTHORIZATION AND CONTINUING APPROPRIATION.—

(1) STATEMENT OF CONGRESSIONAL INTENT.—In reauthorizing the U.S.-FSM Compact and the U.S.-RMI Compact, it is not the intent of Congress to cause any adverse consequences for an affected jurisdiction.

(2) DEFINITIONS.—For the purposes of this title—

(A) the term "affected jurisdiction" means American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, or the State of Hawaii; and

(B) the term "qualified nonimmigrant" means a person, or their children under the age of 18, admitted or resident pursuant to section 141 of the U.S.-RMI or U.S.-FSM Compact, or section 141 of the Palau Compact who, as of a date referenced in the most recently published enumeration is a resident of an affected jurisdiction. As used in this subsection, the term "resident" shall be a person who has a "residence," as that term is defined in section 101(a)(33) of the Immigration and Nationality Act, as amended.

(3) AUTHORIZATION AND CONTINUING APPROPRIATION.—There is hereby authorized and appropriated to the Secretary of the Interior, out of any funds in the Treasury not otherwise appropriated, to remain available until expended, for each fiscal year from 2004 through 2023, $30,000,000 for grants to affected jurisdictions to aid in defraying costs incurred by affected jurisdictions as a result of increased demands placed on health, educational, social, or public safety services or infrastructure related to such services due to the residence in affected jurisdictions of qualified nonimmigrants from the Republic of the

Marshall Islands, the Federated States of Micronesia, or the Republic of Palau. The grants shall be—

(A) awarded and administered by the Department of the Interior, Office of Insular Affairs, or any successor thereto, in accordance with regulations, policies and procedures applicable to grants so awarded and administered; and

(B) used only for health, educational, social, or public safety services, or infrastructure related to such services, specifically affected by qualified nonimmigrants.

(4) ENUMERATION.—The Secretary of the Interior shall conduct periodic enumerations of qualified nonimmigrants in each affected jurisdiction. The enumerations—

(A) shall be conducted at such intervals as the Secretary of the Interior shall determine, but no less frequently than every five years, [beginning in fiscal year 2003] *during the period of fiscal years 2003 through 2023*;

(B) shall be supervised by the United States Bureau of the Census or such other organization as the Secretary of the Interior may select; and

(C) [after fiscal year 2003] *for the period of fiscal years 2004 through 2023*, shall be funded by the Secretary of the Interior by deducting such sums as are necessary, but not to exceed $300,000 as adjusted for inflation pursuant to section 217 of the U.S.-FSM Compact with fiscal year 2003 as the base year, per enumeration, from funds appropriated pursuant to the authorization contained in paragraph (3) of this subsection.

[(5) ALLOCATION.—The Secretary of the Interior shall allocate to the government of each affected jurisdiction, on the basis of the results of the most recent enumeration, grants in an aggregate amount equal to the total amount of funds appropriated under paragraph (3) of this subsection, as reduced by any deductions authorized by subparagraph (C) of paragraph (4) of this subsection, multiplied by a ratio derived by dividing the number of qualified nonimmigrants in such affected jurisdiction by the total number of qualified nonimmigrants in all affected jurisdictions.]

[(6)] *(5)* AUTHORIZATION FOR HEALTH CARE REIMBURSEMENT.—There are hereby authorized to be appropriated to the Secretary of the Interior such sums as may be necessary to reimburse health care institutions in the affected jurisdictions for costs resulting from the migration of citizens of the Republic of the Marshall Islands, the Federated States of Micronesia and the Republic of Palau to the affected jurisdictions as a result of the implementation of the Compact of Free Association, approved by Public Law 99-239, or the approval of the U.S.-FSM Compact and the U.S.-RMI Compact by this resolution.

[(7)] *(6)* USE OF DOD MEDICAL FACILITIES AND NATIONAL HEALTH SERVICE CORPS.—

(A) DOD MEDICAL FACILITIES.—The Secretary of Defense shall make available, on a space available and reimbursable basis, the medical facilities of the Department of Defense for use by citizens of the Federated States of Micronesia and the Republic of the Marshall Islands who are properly referred to the facilities by government authori-

ties responsible for provision of medical services in the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau and the affected jurisdictions.

(B) NATIONAL HEALTH SERVICE CORPS.—The Secretary of Health and Human Services shall continue to make the services of the National Health Service Corps available to the residents of the Federated States of Micronesia and the Republic of the Marshall Islands to the same extent and for so long as such services are authorized to be provided to persons residing in any other areas within or outside the United States.

(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph such sums as are necessary for each fiscal year.

[(8)] *(7)* REPORTING REQUIREMENT.—Not later than one year after the date of enactment of this joint resolution, and at one year intervals thereafter, the Governors of Guam, the State of Hawaii, the Commonwealth of the Northern Mariana Islands, and American Samoa may provide to the Secretary of the Interior by February 1 of each year their comments with respect to the impacts of the Compacts on their respective jurisdiction. The Secretary of the Interior, upon receipt of any such comments, shall report to the Congress not later than May 1 of each year and include the following:

(A) The Governor's comments on the impacts of the Compacts as well as the Administration's analysis of such impact.

(B) The Administration views on any recommendations for corrective action to eliminate those consequences as proposed by such Governors.

(C) With regard to immigration, statistics concerning the number of persons availing themselves of the rights described in section 141(a) of the Compact during the year covered by each report.

(D) With regard to trade, an analysis of the impact on the economy of American Samoa resulting from imports of canned tuna into the United States from the Federated States of Micronesia, and the Republic of the Marshall Islands.

[(9)] *(8)* RECONCILIATION OF UNREIMBURSED IMPACT EXPENSES.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the President, to address previously accrued and unreimbursed impact expenses, may, at the request of the Governor of Guam or the Governor of the Commonwealth of the Northern Mariana Islands, reduce, release, or waive all or part of any amounts owed by the Government of Guam or the Government of the Commonwealth of the Northern Mariana Islands (or either government's autonomous agencies or instrumentalities), respectively, to any department, agency, independent agency, office, or instrumentality of the United States.

(B) TERMS AND CONDITIONS.—

(i) SUBSTANTIATION OF IMPACT COSTS.—Not later than 120 days after the date of the enactment of this resolution, the Governor of Guam and the Governor of the Commonwealth of the Northern Mariana Islands shall each submit to the Secretary of the Interior a report, prepared in consultation with an independent accounting firm, substantiating unreimbursed impact expenses claimed for the period from January 14, 1986, through September 30, 2003. Upon request of the Secretary of the Interior, the Governor of Guam and the Governor of the Commonwealth of the Northern Mariana Islands shall submit to the Secretary of the Interior copies of all documents upon which the report submitted by that Governor under this clause was based.

(ii) CONGRESSIONAL NOTIFICATION.—The President shall notify Congress of his intent to exercise the authority granted in subparagraph (A).

(iii) CONGRESSIONAL REVIEW AND COMMENT.—Any reduction, release, or waiver under this Act shall not take effect until 60 days after the President notifies Congress of his intent to approve a request of the Governor of Guam or the Governor of the Commonwealth of the Northern Mariana Islands. In exercising his authority under this section and in determining whether to give final approval to a request, the President shall take into consideration comments he may receive after Congressional review.

(iv) EXPIRATION.—The authority granted in subparagraph (A) shall expire on February 28, 2005.

[(10)] *(9)* AUTHORIZATION OF APPROPRIATIONS FOR GRANTS.—There are hereby authorized to the Secretary of the Interior for each of fiscal years 2004 through 2023 such sums as may be necessary for grants to the governments of Guam, the State of Hawaii, the Commonwealth of the Northern Mariana Islands, and American Samoa, as a result of increased demands placed on educational, social, or public safety services or infrastructure related to such services due to the presence in Guam, Hawaii, the Commonwealth of the Northern Mariana Islands, and American Samoa of qualified nonimmigrants from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

(f) FOREIGN LOANS.—Congress hereby reaffirms the United States position that the United States Government is not responsible for foreign loans or debt obtained by the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands.

(g) SENSE OF CONGRESS CONCERNING FUNDING OF PUBLIC INFRASTRUCTURE.—It is the sense of Congress that not less than 30 percent of the United States annual grant assistance provided under section 211 of the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Federated States of Micronesia, and not less than 30 percent of the total amount of section 211 funds allocated to each of the States of the Federated States of Micronesia, shall

be invested in infrastructure improvements and maintenance in accordance with section 211(a)(6). It is further the sense of Congress that not less than 30 percent of the United States annual grant assistance provided under section 211 of the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Republic of the Marshall Islands, shall be invested in infrastructure improvements and maintenance in accordance with section 211(d).

(h) REPORTS AND REVIEWS.—

(1) REPORT BY THE PRESIDENT.—Not later than the end of the first full calendar year following enactment of this resolution, and not later than December 31 of each year thereafter, the President shall report to Congress regarding the Federated States of Micronesia and the Republic of the Marshall Islands, including but not limited to—

(A) general social, political, and economic conditions, including estimates of economic growth, per capita income, and migration rates;

(B) the use and effectiveness of United States financial, program, and technical assistance;

(C) the status of economic policy reforms including but not limited to progress toward establishing self-sufficient tax rates;

(D) the status of the efforts to increase investment including: the rate of infrastructure investment of U.S. financial assistance under the U.S.-FSM Compact and the U.S.-RMI Compact; non-U.S. contributions to the trust funds, and the level of private investment; and

(E) recommendations on ways to increase the effectiveness of United States assistance and to meet overall economic performance objectives, including, if appropriate, recommendations to Congress to adjust the inflation rate or to adjust the contributions to the Trust Funds based on non-U.S. contributions.

(2) REVIEW.—During the year of the fifth, tenth, and fifteenth anniversaries of the date of enactment of this resolution, the Government of the United States shall review the terms of the respective Compacts and consider the overall nature and development of the U.S.-FSM and U.S.-RMI relationships including the topics set forth in subparagraphs (A) through (E) of paragraph (1). In conducting the reviews, the Government of the United States shall consider the operating requirements of the Government of the Federated States of Micronesia and the Government of the Republic of the Marshall Islands and their progress in meeting the development objectives set forth in their respective development plans. The President shall include in the annual reports to Congress for the years following the reviews the comments of the Government of the Federated States of Micronesia and the Government of the Republic of the Marshall Islands on the topics described in this paragraph, the President's response to the comments, the findings resulting from the reviews, and any recommendations for actions to respond to such findings.

(i) CONSTRUCTION OF SECTION 141(F).—Section 141(f)(2) of the Compact of Free Association, as amended, between the Govern-

ment of the United States of America and the Government of the Federated States of Micronesia and of the Compact of Free Association, as amended, between the Government of the United States of America and the Government of the Republic of the Marshall Islands, shall be construed as though, after "may by regulations prescribe", there were included the following: ", except that any such regulations that would have a significant effect on the admission, stay and employment privileges provided under this section shall not become effective until 90 days after the date of transmission of the regulations to the Committee on Energy and Natural Resources and the Committee on the Judiciary of the Senate and the Committee on Resources, the Committee on International Relations, and the Committee on the Judiciary of the House of Representatives".

(j) INFLATION ADJUSTMENT.—As of Fiscal Year 2015, if the United States Gross Domestic Product Implicit Price Deflator average for Fiscal Years 2009 through 2013 is greater than United States Gross Domestic Product Implicit Price Deflator average for Fiscal Years 2004 through 2008 (as reported in the Survey of Current Business or subsequent publication and compiled by the Department of the Interior), then section 217 of the U.S.-FSM Compact, paragraph 5 of Article II of the U.S.-FSM Fiscal Procedures Agreement, section 218 of the U.S.-RMI Compact, and paragraph 5 of Article II of the U.S.-RMI Fiscal Procedures Agreement shall be construed as if "the full" appeared in place of "two-thirds of the" each place those words appear. If an inflation adjustment is made under this subsection, the base year for calculating the inflation adjustment shall be fiscal year 2014.

(k) PARTICIPATION BY SECONDARY SCHOOLS IN THE ARMED SERVICES VOCATIONAL APTITUDE BATTERY (ASVAB) STUDENT TESTING PROGRAM.—In furtherance of the provisions of Title Three, Article IV, Section 341 of the U.S.-FSM and the U.S.-RMI Compacts, the purpose of which is to establish the privilege to volunteer for service in the U.S. Armed Forces, it is the sense of Congress that, to facilitate eligibility of FSM and RMI secondary school students to qualify for such service, the Department of Defense may extend the Armed Services Vocational Aptitude Battery (ASVAB) Student Testing Program (STP) and the ASVAB Career Exploration Program to selected secondary Schools in the FSM and the RMI to the extent such programs are available to Department of Defense Dependent Schools located in foreign jurisdictions.

SEC. 105. SUPPLEMENTAL PROVISIONS.

(a) DOMESTIC PROGRAM REQUIREMENTS.—Except as may otherwise be provided in this joint resolution, all United States Federal programs and services extended to or operated in the Federated States of Micronesia or the Republic of the Marshall Islands are and shall remain subject to all applicable criteria, standards, reporting requirements, auditing procedures, and other rules and regulations applicable to such programs when operating in the United States (including its territories and commonwealths).

(b) RELATIONS WITH THE FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS.—

(1) Appropriations made pursuant to Article I of Title Two and subsection (a)(2) of section 221 of article II of Title Two of the U.S.-FSM Compact and the U.S.-RMI Compact shall be

made to the Secretary of the Interior, who shall have the authority necessary to fulfill his responsibilities for monitoring and managing the funds so appropriated consistent with the U.S.-FSM Compact and the U.S.-RMI Compact, including the agreements referred to in section 462(b)(4) of the U.S.-FSM Compact and U.S.-RMI Compact (relating to Fiscal Procedures) and the agreements referred to in section 462(b)(5) of the U.S.-FSM Compact and the U.S.-RMI Compact (regarding the Trust Funds).

(2) Appropriations made pursuant to subsections (a)(1) and (a)(3) through (6) of section 221 of Article II of Title Two of the U.S.-FSM Compact and subsection (a)(1) and (a)(3) through (5) of the U.S.-RMI Compact shall be made directly to the agencies named in those subsections.

(3) Appropriations for services and programs referred to in subsection (b) of section 221 of Article II of Title Two of the U.S.-FSM Compact or U.S.-RMI Compact and appropriations for services and programs referred to in sections 105(f) and 108(a) of this joint resolution shall be made to the relevant agencies in accordance with the terms of the appropriations for such services and programs.

(4) Federal agencies providing programs and services to the Federated States of Micronesia and the Republic of the Marshall Islands shall coordinate with the Secretaries of the Interior and State regarding provision of such programs and services. The Secretaries of the Interior and State shall consult with appropriate officials of the Asian Development Bank and with the Secretary of the Treasury regarding overall economic conditions in the Federated States of Micronesia and the Republic of the Marshall Islands and regarding the activities of other donors of assistance to the Federated States of Micronesia and the Republic of the Marshall Islands.

[(5) United States Government employees in either the Federated States of Micronesia or the Republic of the Marshall Islands are subject to the authority of the United States Chief of Mission, including as elaborated in section 207 of the Foreign Service Act and the President's Letter of Instruction to the United States Chief of Mission and any order or directive of the President in effect from time to time.**]**

(5) Pursuant to section 207 of the Foreign Service Act of 1980 (22 U.S.C. 3927), all United States Government executive branch employees in the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau fall under the authority of the respective applicable chief of mission, except for employees identified as excepted from the authority under Federal law or by Presidential directive.

(6) INTERAGENCY GROUP ON FREELY ASSOCIATED STATES' AFFAIRS.—

(A) IN GENERAL.—The President is hereby authorized to appoint an Interagency Group on Freely Associated States' Affairs to provide policy guidance and recommendations on implementation of the U.S.-FSM Compact and the U.S.-RMI Compact to Federal departments and agencies.

(B) SECRETARIES.—It is the sense of Congress that the Secretary of State and the Secretary of the Interior shall be represented on the Interagency Group.

(7) UNITED STATES APPOINTEES TO JOINT COMMITTEES.—

(A) JOINT ECONOMIC MANAGEMENT COMMITTEE.—

(i) IN GENERAL.—The three United States appointees (United States chair plus two members) to the Joint Economic Management Committee provided for in section 213 of the U.S.-FSM Compact and Article III of the U.S.-FSM Fiscal Procedures Agreement referred to in section 462(b)(4) of the U.S.-FSM Compact shall be United States Government officers or employees.

(ii) DEPARTMENTS.—It is the sense of Congress that 2 of the 3 appointees should be designated from the Department of State and the Department of the Interior, and that U.S. officials of the Asian Development Bank shall be consulted in order to properly coordinate U.S. and Asian Development Bank financial, program, and technical assistance.

(iii) ADDITIONAL SCOPE.—Section 213 of the U.S.-FSM Compact shall be construed to read as though the phrase, "the implementation of economic policy reforms to encourage investment and to achieve self-sufficient tax rates," were inserted after "with particular focus on those parts of the plan dealing with the sectors identified in subsection (a) of section 211".

(B) JOINT ECONOMIC MANAGEMENT AND FINANCIAL ACCOUNTABILITY COMMITTEE.—

(i) IN GENERAL.—The three United States appointees (United States chair plus two members) to the Joint Economic Management and Financial Accountability Committee provided for in section 214 of the U.S.-RMI Compact and Article III of the U.S.-RMI Fiscal Procedures Agreement referred to in section 462(b)(4) of the U.S.-RMI Compact shall be United States Government officers or employees.

(ii) DEPARTMENTS.—It is the sense of Congress that 2 of the 3 appointees should be designated from the Department of State and the Department of the Interior, and that U.S. officials of the Asian Development Bank shall be consulted in order to properly coordinate U.S. and Asian Development Bank financial, program, and technical assistance.

(iii) ADDITIONAL SCOPE.—Section 214 of the U.S.-RMI Compact shall be construed to read as though the phrase, "the implementation of economic policy reforms to encourage investment and to achieve self-sufficient tax rates," were inserted after "with particular focus on those parts of the framework dealing with the sectors and areas identified in subsection (a) of section 211".

(8) OVERSIGHT AND COORDINATION.—It is the sense of Congress that the Secretary of State and the Secretary of the Interior shall ensure that there are personnel resources committed in the appropriate numbers and locations to ensure effective

oversight of United States assistance, and effective coordination of assistance among United States agencies and with other international donors such as the Asian Development Bank.

(9) The United States voting members (United States chair plus two or more members) of the Trust Fund Committee appointed by the Government of the United States pursuant to Article 7 of the Trust Fund Agreement implementing section 215 of the U.S.-FSM Compact and referred to in section 462(b)(5) of the U.S.-FSM Compact and any alternates designated by the Government of the United States shall be United States Government officers or employees. The United States voting members (United States chair plus two or more members) of the Trust Fund Committee appointed by the Government of the United States pursuant to Article 7 of the Trust Fund Agreement implementing section 216 of the U.S.-RMI Compact and referred to in section 462(b)(5) of the U.S.-RMI Compact and any alternates designated by the Government of the United States shall be United States Government officers or employees. It is the sense of Congress that the appointees should be designated from the Department of State, the Department of the Interior, and the Department of the Treasury.

(10) The Trust Fund Committee provided for in Article 7 of the U.S.-FSM Trust Fund Agreement implementing section 215 of the U.S.-FSM Compact shall be a nonprofit corporation incorporated under the laws of the District of Columbia. To the extent that any law, rule, regulation or ordinance of the District of Columbia, or of any State or political subdivision thereof in which the Trust Fund Committee is incorporated or doing business, impedes or otherwise interferes with the performance of the functions of the Trust Fund Committee pursuant to this joint resolution, such law, rule, regulation, or ordinance shall be deemed to be preempted by this joint resolution. The Trust Fund Committee provided for in Article 7 of the U.S.-RMI Trust Fund Agreement implementing section 216 of the U.S.-RMI Compact shall be a non-profit corporation incorporated under the laws of the District of Columbia. To the extent that any law, rule, regulation or ordinance of the District of Columbia, or of any State or political subdivision thereof in which the Trust Fund Committee is incorporated or doing business, impedes or otherwise interferes with the performance of the functions of the Trust Fund Committee pursuant to this joint resolution, such law, rule, regulation, or ordinance shall be deemed to be preempted by this joint resolution.

(c) CONTINUING TRUST TERRITORY AUTHORIZATION.—The authorization provided by the Act of June 30, 1954, as amended (68 Stat. 330) shall remain available after the effective date of the Compact with respect to the Federated States of Micronesia and the Republic of the Marshall Islands for the following purposes:

(1) Prior to October 1, 1986, for any purpose authorized by the Compact or the joint resolution of January 14, 1986 (Public Law 99-239).

(2) Transition purposes, including but not limited to, completion of projects and fulfillment of commitments or obligations; termination of the Trust Territory Government and termination of the High Court; health and education as a result of

exceptional circumstances; ex gratia contributions for the populations of Bikini, Enewetak, Rongelap, and Utrik; and technical assistance and training in financial management, program administration, and maintenance of infrastructure.

(d) SURVIVABILITY.—In furtherance of the provisions of Title Four, Article V, sections 452 and 453 of the U.S.-FSM Compact and the U.S.-RMI Compact, any provisions of the U.S.-FSM Compact or the U.S.-RMI Compact which remain effective after the termination of the U.S.-FSM Compact or U.S.-RMI Compact by the act of any party thereto and which are affected in any manner by provisions of this title shall remain subject to such provisions.

(e) NONCOMPLIANCE SANCTIONS; ACTIONS INCOMPATIBLE WITH UNITED STATES AUTHORITY.—Congress expresses its understanding that the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands will not act in a manner incompatible with the authority and responsibility of the United States for security and defense matters in or related to the Federated States of Micronesia or the Republic of the Marshall Islands pursuant to the U.S.-FSM Compact or the U.S.-RMI Compact, including the agreements referred to in sections 462(a)(2) of the U.S.-FSM Compact and 462(a)(5) of the U.S.-RMI Compact. Congress further expresses its intention that any such act on the part of either such Government will be viewed by the United States as a material breach of the U.S.-FSM Compact or U.S.-RMI Compact. The Government of the United States reserves the right in the event of such a material breach of the U.S.-FSM Compact by the Government of the Federated States of Micronesia or the U.S.-RMI Compact by the Government of the Republic of the Marshall Islands to take action, including (but not limited to) the suspension in whole or in part of the obligations of the Government of the United States to that Government.

(f) CONTINUING PROGRAMS AND LAWS.—

(1) FEDERATED STATES OF MICRONESIA AND REPUBLIC OF THE MARSHALL ISLANDS.—In addition to the programs and services set forth in section 221 of the Compact, and pursuant to section 222 of the Compact, the programs and services of the following agencies shall be made available to the Federated States of Micronesia and to the Republic of the Marshall Islands:

(A) EMERGENCY AND DISASTER ASSISTANCE.—

(i) IN GENERAL.—Subject to clause (ii), section 221(a)(6) of the U.S.-FSM Compact and section 221(a)(5) of the U.S.-RMI Compact shall each be construed and applied in accordance with the two Agreements to Amend Article X of the Federal Programs and Service Agreements signed on June 30, 2004, and on June 18, 2004, respectively, provided that all activities carried out by the United States Agency for International Development and the Federal Emergency Management Agency under Article X of the Federal Programs and Services Agreements may be carried out notwithstanding any other provision of law. In the sections referred to in this clause, the term "United States Agency for International Development, Office of Foreign Disaster Assistance" shall be construed to

mean "the United States Agency for International Development".

(ii) DEFINITION OF WILL PROVIDE FUNDING.—In the second sentence of paragraph 12 of each of the Agreements described in clause (i), the term "will provide funding" means will provide funding through a transfer of funds using Standard Form 1151 or a similar document or through an interagency, reimbursable agreement.

(B) TREATMENT OF ADDITIONAL PROGRAMS.—

(i) CONSULTATION.—The United States appointees to the committees established pursuant to section 213 of the U.S.-FSM Compact and section 214 of the U.S.-RMI Compact shall consult with the Secretary of Education regarding the objectives, use, and monitoring of United States financial, program, and technical assistance made available for educational purposes.

(ii) CONTINUING PROGRAMS.—The Government of the United States—

(I) shall continue to make available to the Federated States of Micronesia and the Republic of the Marshall Islands for fiscal years 2004 through 2023, the services to individuals eligible for such services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) to the extent that such services continue to be available to individuals in the United States; and

(II) shall continue to make available to eligible institutions in the Federated States of Micronesia and the Republic of the Marshall Islands, and to students enrolled in such institutions, and in institutions in the United States, its territories, and the Republic of Palau for fiscal years 2004 through 2023, grants under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.) to the extent that such grants continue to be available to institutions and students in the United States.

(iii) SUPPLEMENTAL EDUCATION GRANTS.—In lieu of eligibility for appropriations under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311 et seq.), titles I (other than subtitle C) and II of the Workforce Innovation and Opportunity Act, title I of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2321 et seq.), the Head Start Act (42 U.S.C. 9831 et seq.), and subpart 3 of part A, and part C, of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070b et seq., 42 U.S.C. 2751 et seq.), there are authorized to be appropriated to the Secretary of Education to supplement the education grants under section 211(a)(1) of the U.S.-FSM Compact and section 211(a)(1) of the U.S.-RMI Compact, respectively, the following amounts:

(I) $12,230,000 for the Federated States of Micronesia for fiscal year 2005 and an equivalent

amount, as adjusted for inflation under section 217 of the U.S.-FSM Compact, for each of fiscal years 2005 through 2023; and

(II) $6,100,000 for the Republic of the Marshall Islands for fiscal year 2005 and an equivalent amount, as adjusted for inflation under section 218 of the U.S.-RMI Compact, for each of fiscal years 2005 through 2023,

except that citizens of the Federated States of Micronesia and the Republic of the Marshall Islands who attend an institution of higher education in the United States or its territories, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau on the date of enactment of this joint resolution may continue to receive assistance under such subpart 3 of part A or part C, for not more than 4 academic years after such date to enable such citizens to complete their program of study.

(iv) FISCAL PROCEDURES.—Appropriations made pursuant to clause (iii) shall be used and monitored in accordance with an agreement between the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services, and the Secretary of the Interior, and in accordance with the respective Fiscal Procedures Agreements referred to in section 462(b)(4) of the U.S.-FSM Compact and section 462(b)(4) of the U.S.-RMI Compact. The agreement between the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services, and the Secretary of the Interior shall provide for the transfer, not later than 60 days after the appropriations made pursuant to clause (iii) become available to the Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services, from the Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services, to the Secretary of the Interior for disbursement.

(v) FORMULA EDUCATION GRANTS.—For fiscal years 2005 through 2023, except as provided in clause (ii) and the exception provided under clause (iii), the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands shall not receive any grant under any formula-grant program administered by the Secretary of Education or the Secretary of Labor, nor any grant provided through the Head Start Act (42 U.S.C. 9831 et seq.) administered by the Secretary of Health and Human Services.

(vi) TRANSITION.—For fiscal year 2004, the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands shall continue to be eligible for appropriations and to receive grants under the provisions of law specified in clauses (ii) and (iii).

(vii) TECHNICAL ASSISTANCE.—The Federated States of Micronesia and the Republic of the Marshall Islands may request technical assistance from the Secretary of

Education, the Secretary of Health and Human Services, or the Secretary of Labor the terms of which, including reimbursement, shall be negotiated with the participation of the appropriate cabinet officer for inclusion in the Federal Programs and Services Agreement.

(viii) CONTINUED ELIGIBILITY FOR COMPETITIVE GRANTS.—The Governments of the Federated States of Micronesia and the Republic of the Marshall Islands shall continue to be eligible for competitive grants administered by the Secretary of Education, the Secretary of Health and Human Services, and the Secretary of Labor to the extent that such grants continue to be available to State and local governments in the United States.

[(ix) APPLICABILITY.—The government, institutions, and people of Palau shall remain eligible for appropriations and to receive grants under the provisions of law specified in clauses (ii) and (iii) until the end of fiscal year 2024, to the extent the government, institutions, and people of Palau were so eligible under such provisions in fiscal year 2003.]

(C) The Legal Services Corporation, which shall also continue to be available to the citizens of the Federated States of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands who legally reside in the United States (including territories and possessions).

(D) The Public Health Service.

(E) The Rural Housing Service (formerly, the Farmers Home Administration) in the Marshall Islands and each of the four States of the Federated States of Micronesia: *Provided,* That in lieu of continuation of the program in the Federated States of Micronesia, the President may agree to transfer to the Government of the Federated States of Micronesia without cost, the portfolio of the Rural Housing Service applicable to the Federated States of Micronesia and provide such technical assistance in management of the portfolio as may be requested by the Federated States of Micronesia.

(2) TORT CLAIMS.—The provisions of section 178 of the U.S.-FSM Compact and the U.S.-RMI Compact regarding settlement and payment of tort claims shall apply to employees of any Federal agency of the Government of the United States (and to any other person employed on behalf of any Federal agency of the Government of the United States on the basis of a contractual, cooperative, or similar agreement) which provides any service or carries out any other function pursuant to or in furtherance of any provisions of the U.S.-FSM Compact or the U.S.-RMI Compact or this joint resolution, except for provisions of Title Three of the Compact and of the subsidiary agreements related to such Title, in such area to which such Agreement formerly applied.

(3) PCB CLEANUP.—The programs and services of the Environmental Protection Agency regarding PCBs shall, to the extent applicable, as appropriate, and in accordance with applica-

ble law, be construed to be made available to such islands for the cleanup of PCBs imported prior to 1987. The Secretary of the Interior and the Secretary of Defense shall cooperate and assist in any such cleanup activities.

(g) COLLEGE OF MICRONESIA.—Until otherwise provided by Act of Congress, or until termination of the U.S.-FSM Compact and the U.S.-RMI Compact, the College of Micronesia shall retain its status as a land-grant institution and its eligibility for all benefits and programs available to such land-grant institutions.

(h) TRUST TERRITORY DEBTS TO U.S. FEDERAL AGENCIES.—Neither the Government of the Federated States of Micronesia nor the Government of the Marshall Islands shall be required to pay to any department, agency, independent agency, office, or instrumentality of the United States any amounts owed to such department, agency, independent agency, office, or instrumentality by the Government of the Trust Territory of the Pacific Islands as of the effective date of the Compact. There is authorized to be appropriated such sums as may be necessary to carry out the purposes of this subsection.

(i) JUDICIAL TRAINING.—

(1) IN GENERAL.—In addition to amounts provided under section 211(a)(4) of the U.S.-FSM Compact and the U.S.-RMI Compact, the Secretary of the Interior shall annually provide $300,000 for the training of judges and officials of the judiciary in the Federated States of Micronesia and the Republic of the Marshall Islands in cooperation with the Pacific Islands Committee of the Ninth Circuit Judicial Council and in accordance with and to the extent provided in the Federal Programs and Services Agreement and the Fiscal Procedure Agreement, as appropriate.

(2) AUTHORIZATION AND CONTINUING APPROPRIATION.—There is hereby authorized and appropriated to the Secretary of the Interior, out of any funds in the Treasury not otherwise appropriated, to remain available until expended, for each fiscal year from 2004 through 2023, $300,000, as adjusted for inflation under section 218 of the U.S.-FSM Compact and the U.S.-RMI Compact, to carry out the purposes of this section.

[(j) TECHNICAL ASSISTANCE.—Technical assistance may be provided pursuant to section 224 of the U.S.-FSM Compact or the U.S.-RMI Compact by Federal agencies and institutions of the Government of the United States to the extent such assistance may be provided to States, territories, or units of local government. Such assistance by the Forest Service, the Natural Resources Conservation Service, the Fish and Wildlife Service, the National Marine Fisheries Service, the United States Coast Guard, and the Advisory Council on Historic Preservation, the Department of the Interior, and other agencies providing assistance under division A of subtitle III of title 54, United States Code, shall be on a nonreimbursable basis. During the period the U.S.-FSM Compact and the U.S.-RMI Compact are in effect, the grant programs under the National Historic Preservation Act shall continue to apply to the Federated States of Micronesia and the Republic of the Marshall Islands in the same manner and to the same extent as prior to the approval of the Compact. Any funds provided pursuant to sections 102(a), 103(a), 103(b), 103(f), 103(g), 103(h), 103(j), 105(c), 105(g), 105(h),

105(i), 105(j), 105(k), 105(l), and 105(m) of this joint resolution shall be in addition to and not charged against any amounts to be paid to either the Federated States of Micronesia or the Republic of the Marshall Islands pursuant to the U.S.-FSM Compact, the U.S.-RMI Compact, or their related subsidiary agreements.]

(j) TECHNICAL ASSISTANCE.—

(1) IN GENERAL.—Technical assistance may be provided pursuant to section 224 of the 2023 Amended U.S.-FSM Compact, section 224 of the 2023 Amended U.S.-RMI Compact, or section 222 of the U.S.-Palau Compact (as those terms are defined in section 2 of the Compact of Free Association Amendments Act of 2023) by Federal agencies and institutions of the Government of the United States to the extent the assistance shall be provided to States, territories, or units of local government.

(2) HISTORIC PRESERVATION.—

(A) IN GENERAL.—Any technical assistance authorized under paragraph (1) that is provided by the Forest Service, the Natural Resources Conservation Service, the United States Fish and Wildlife Service, the National Marine Fisheries Service, the United States Coast Guard, the Advisory Council on Historic Preservation, the Department of the Interior, or any other Federal agency providing assistance under division A of subtitle III of title 54, United States Code, may be provided on a nonreimbursable basis.

(B) GRANTS.—During the period in which the 2023 Amended U.S.-FSM Compact (as so defined) and the 2023 Amended U.S.-RMI Compact (as so defined) are in force, the grant programs under division A of subtitle III of title 54, United States Code, shall continue to apply to the Federated States of Micronesia and the Republic of the Marshall Islands in the same manner and to the same extent as those programs applied prior to the approval of the U.S.-FSM Compact and U.S.-RMI Compact.

(3) ADDITIONAL FUNDS.—Any funds provided pursuant to this subsection, subsections (c), (g), (h), (i), (k), (l), and (m), section 102(a), and subsections (a), (b), (f), (g), (h), and (j) of section 103 shall be in addition to, and not charged against, any amounts to be paid to the Federated States of Micronesia or the Republic of the Marshall Islands pursuant to—

(A) the U.S.-FSM Compact;

(B) the U.S.-RMI Compact; or

(C) any related subsidiary agreement.

(k) PRIOR SERVICE BENEFITS PROGRAM.—Notwithstanding any other provision of law, persons who on January 1, 1985, were eligible to receive payment under the Prior Service Benefits Program established within the Social Security System of the Trust Territory of the Pacific Islands because of their services performed for the United States Navy or the Government of the Trust Territory of the Pacific Islands prior to July 1, 1968, shall continue to receive such payments on and after the effective date of the Compact.

(l) INDEFINITE LAND USE PAYMENTS.—There are authorized to be appropriated such sums as may be necessary to complete repayment by the United States of any debts owed for the use of various lands in the Federated States of Micronesia and the Marshall Islands prior to January 1, 1985.

(m) COMMUNICABLE DISEASE CONTROL PROGRAM.—There are authorized to be appropriated for grants to the Government of the Federated States of Micronesia, the Government of the Republic of the Marshall Islands, and the governments of the affected jurisdictions, such sums as may be necessary for purposes of establishing or continuing programs for the control and prevention of communicable diseases, including (but not limited to) cholera, tuberculosis, and Hansen's Disease. The Secretary of the Interior shall assist the Government of the Federated States of Micronesia, the Government of the Republic of the Marshall Islands and the governments of the affected jurisdictions in designing and implementing such a program.

(n) USER FEES.—Any person in the Federated States of Micronesia or the Republic of the Marshall Islands shall be liable for user fees, if any, for services provided in the Federated States of Micronesia or the Republic of the Marshall Islands by the Government of the United States to the same extent as any person in the United States would be liable for fees, if any, for such services in the United States.

(o) TREATMENT OF JUDGMENTS OF COURTS OF THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF THE MARSHALL ISLANDS, AND THE REPUBLIC OF PALAU.—No judgment, whenever issued, of a court of the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau, against the United States, its departments and agencies, or officials of the United States or any other individuals acting on behalf of the United States within the scope of their official duty, shall be honored by the United States, or be subject to recognition or enforcement in a court in the United States, unless the judgment is consistent with the interpretation by the United States of international agreements relevant to the judgment. In determining the consistency of a judgment with an international agreement, due regard shall be given to assurances made by the Executive Branch to Congress of the United States regarding the proper interpretation of the international agreement.

(p) ESTABLISHMENT OF TRUST FUNDS; EXPEDITION OF PROCESS.—

(1) IN GENERAL.—The Trust Fund Agreement executed pursuant to the U.S.-FSM Compact and the Trust Fund Agreement executed pursuant to the U.S.-RMI Compact each provides for the establishment of a trust fund.

(2) METHOD OF ESTABLISHMENT.—The trust fund may be established by—

(A) creating a new legal entity to constitute the trust fund; or

(B) assuming control of an existing legal entity including, without limitation, a trust fund or other legal entity that was established by or at the direction of the Government of the United States, the Government of the Federated States of Micronesia, the Government of the Republic of the Marshall Islands, or otherwise for the purpose of facilitating or expediting the establishment of the trust fund pursuant to the applicable Trust Fund Agreement.

(3) OBLIGATIONS.—For the purpose of expediting the commencement of operations of a trust fund under either Trust Fund Agreement, the trust fund may, but shall not be obli-

gated to, assume any obligations of an existing legal entity and take assignment of any contract or other agreement to which the existing legal entity is party.

(4) ASSISTANCE.—Without limiting the authority that the United States Government may otherwise have under applicable law, the United States Government may, but shall not be obligated to, provide financial, technical, or other assistance directly or indirectly to the Government of the Federated States of Micronesia or the Government of the Republic of the Marshall Islands for the purpose of establishing and operating a trust fund or other legal entity that will solicit bids from, and enter into contracts with, parties willing to serve in such capacities as trustee, depositary, money manager, or investment advisor, with the intention that the contracts will ultimately be assumed by and assigned to a trust fund established pursuant to a Trust Fund Agreement.

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HEAD START ACT

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TITLE VI—HUMAN SERVICES PROGRAMS

Subtitle A—Authorizations Savings for Fiscal Years 1982, 1983, and 1984

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CHAPTER 8—COMMUNITY SERVICES PROGRAMS

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Subchapter B—Head Start Programs

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DEFINITIONS

SEC. 637. For purposes of this subchapter:

(1) The term "child with a disability" means—

(A) a child with a disability, as defined in section 602(3) of the Individuals with Disabilities Education Act; and

(B) an infant or toddler with a disability, as defined in section 632(5) of such Act.

(2) The term "delegate agency" means a public, private nonprofit (including a community-based organization, as defined in section 8101 of the Elementary and Secondary EducationAct of 1965), or for-profit organization or agency to which a grantee has delegated all or part of the responsibility of the grantee for operating a Head Start program.

(3) The term "family literacy services" means services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family, and that integrate all of the following activities:

(A) Interactive literacy activities between parents and their children.

(B) Training for parents regarding how to be the primary teacher for their children and full partners in the education of their children.

(C) Parent literacy training that leads to economic self-sufficiency, and financial literacy..

(D) An age-appropriate education to prepare children for success in school and life experiences.

(4) The term "financial assistance" includes assistance provided by grant, agreement, or contract, and payments may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

(5) The term "full calendar year" means all days of the year other than Saturday, Sunday, and a legal public holiday.

(6) The term "full-working-day" means not less than 10 hours per day. Nothing in this paragraph shall be construed to require an agency to provide services to a child who has not reached the age of compulsory school attendance for more than the number of hours per day permitted by State law (including regulation) for the provision of services to such a child.

(7) The term "Head Start classroom" means a group of children supervised and taught by two paid staff members (a teacher and a teacher's aide or two teachers) and, where possible, a volunteer.

(8) The term "Head Start family day care" means Head Start services provided in a private residence other than the residence of the child receiving such services.

(9) The term "home-based Head Start program" means a Head Start program that provides Head Start services in the private residence of the child receiving such services.

(10) The term "Indian tribe" means any tribe, band, nation, pueblo, or other organized group or community of Indians, including any Native village described in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)) or established pursuant to such Act (43 U.S.C. 1601 et seq.), that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(11) The term "local educational agency" has the meaning given such term in the Elementary and Secondary Education Act of 1965.

(12) The term "migrant or seasonal Head Start program" means—

(A) with respect to services for migrant farmworkers, a Head Start program that serves families who are engaged in agricultural labor and who have changed their residence from one geographic location to another in the preceding 2-year period; and

(B) with respect to services for seasonal farmworkers, a Head Start program that serves families who are engaged primarily in seasonal agricultural labor and who have not changed their residence to another geographic location in the preceding 2-year period.

(13) The term "mobile Head Start program" means the provision of Head Start services utilizing transportable equipment

set up in various community-based locations on a routine, weekly schedule, operating in conjunction with home-based Head Start programs, or as a Head Start classroom.

(14) The term "poverty line" means the official poverty line (as defined by the Office of Management and Budget)—

(A) adjusted to reflect the percentage change in the Consumer Price Index For All Urban Consumers, issued by the Bureau of Labor Statistics, occurring in the 1-year period or other interval immediately preceding the date such adjustment is made; and

(B) adjusted for family size.

(15) The term "scientifically based reading research"—

(A) means the application of rigorous, systematic, and objective procedures to obtain valid knowledge relevant to reading development, reading instruction, and reading difficulties; and

(B) shall include research that—

(i) employs systematic, empirical methods that draw on observation or experiment;

(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.

(16) The term "Secretary" means the Secretary of Health and Human Services.

(17) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Islands. [The term includes the Republic of Palau for fiscal years 2008 and 2009, and (if the legislation described in section 640(a)(2)(B)(v) has not been enacted by September 30, 2009) for fiscal years 2010 through 2012.] *The term State includes the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.*

(18) The term "deficiency" means—

(A) a systemic or substantial material failure of an agency in an area of performance that the Secretary determines involves—

(i) a threat to the health, safety, or civil rights of children or staff;

(ii) a denial to parents of the exercise of their full roles and responsibilities related to program operations;

(iii) a failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management;

(iv) the misuse of funds received under this subchapter;

(v) loss of legal status (as determined by the Secretary) or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or

(vi) failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified;

(B) systemic or material failure of the governing body of an agency to fully exercise its legal and fiduciary responsibilities; or

(C) an unresolved area of noncompliance.

(19) The term "homeless children" has the meaning given the term "homeless children and youths" in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)).

(20) The term "institution of higher education" has the meaning given the term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

(21) The term "interrater reliability" means the extent to which 2 or more independent raters or observers consistently obtain the same result when using the same assessment tool.

(22) The term "limited English proficient", used with respect to a child, means a child—

(A)(i) who was not born in the United States or whose native language is a language other than English;

(ii)(I) who is a Native American (as defined in section 8101 of the Elementary and Secondary Education Act of 1965), an Alaska Native, or a native resident of an outlying area (as defined in such section 8101); and

(II) who comes from an environment where a language other than English has had a significant impact on the child's level of English language proficiency; or

(iii) who is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and

(B) whose difficulties in speaking or understanding the English language may be sufficient to deny such child—

(i) the ability to successfully achieve in a classroom in which the language of instruction is English; or

(ii) the opportunity to participate fully in society.

(23) The term "principles of scientific research" means principles of research that—

(A) applies rigorous, systematic, and objective methodology to obtain reliable and valid knowledge relevant to education activities and programs;

(B) presents findings and makes claims that are appropriate to and supported by methods that have been employed; and

(C) includes, as appropriate to the research being conducted—

(i) use of systematic, empirical methods that draw on observation or experiment;

(ii) use of data analyses that are adequate to support the general findings;

(iii) reliance on measurements or observational methods that provide reliable and generalizable findings;

(iv) strong claims of causal relationships, only with research designs that eliminate plausible competing explanations for observed results, such as, but not limited to, random assignment experiments;

(v) presentation of studies and methods in sufficient detail and clarity to allow for replication or, at a minimum, to offer the opportunity to build systematically on the findings of the research;

(vi) acceptance by a peer-reviewed journal or critique by a panel of independent experts through a comparably rigorous, objective, and scientific review; and

(vii) consistency of findings across multiple studies or sites to support the generality of results and conclusions.

(24) The term "professional development" means high-quality activities that will improve the knowledge and skills of Head Start teachers and staff, as relevant to their roles and functions, in program administration and the provision of services and instruction, as appropriate, in a manner that improves service delivery to enrolled children and their families, including activities that—

(A) are part of a sustained effort to improve overall program quality and outcomes for enrolled children and their families;

(B) are developed or selected with extensive participation of administrators and teachers from Head Start programs;

(C) are developmentally appropriate for the children being served;

(D) include instruction in ways that Head Start teachers and staff may work more effectively with parents, as appropriate;

(E) are designed to give Head Start teachers and staff the knowledge and skills to provide instruction and appropriate support services to children of diverse backgrounds, as appropriate;

(F) may include a 1-day or short-term workshop or conference, if the workshop or conference is consistent with the goals in the professional development plan described in section 648A(f) and will be delivered by an institution of higher education or other entity, with expertise in delivering training in early childhood development, training in family support, and other assistance designed to improve the delivery of Head Start services; and

(G) in the case of teachers, assist teachers with—

(i) the acquisition of the content knowledge and teaching strategies needed to provide effective instruc-

tion and other school readiness services regarding early language and literacy, early mathematics, early science, cognitive skills, approaches to learning, creative arts, physical health and development, and social and emotional development linked to school readiness;

(ii) meeting the requirements in paragraphs (1) and (2) of section 648A(a), as appropriate;

(iii) improving classroom management skills, as appropriate;

(iv) advancing their understanding of effective instructional strategies that are—

(I) based on scientifically valid research; and

(II) aligned with—

(aa) the Head Start Child Outcomes Framework developed by the Secretary and, as appropriate, State early learning standards; and

(bb) curricula, ongoing assessments, and other instruction and services, designed to help meet the standards described in section 641A(a)(1);

(v) acquiring the knowledge and skills to provide instruction and appropriate language and support services to increase the English language skills of limited English proficient children, as appropriate; or

(vi) methods of teaching children with disabilities, as appropriate.

(25) The term "scientifically valid research" includes applied research, basic research, and field-initiated research in which the rationale, design, and interpretation are soundly developed in accordance with principles of scientific research.

(26) The term "unresolved area of noncompliance" means failure to correct a noncompliance item within 120 days, or within such additional time (if any) as is authorized by the Secretary, after receiving from the Secretary notice of such noncompliance item, pursuant to section 641A(c).

* * * * * * *

ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE

SEC. 640. (a)(1) Using the sums appropriated pursuant to section 639 for a fiscal year, the Secretary shall allocate such sums in accordance with paragraphs (2) through (5).

(2)(A) The Secretary shall determine an amount for each fiscal year for each State that is equal to the amount received through base grants for the prior fiscal year by the Head Start agencies (including Early Head Start agencies) in the State that are not described in clause (ii) or (iii) of subparagraph (B).

(B) The Secretary shall reserve for each fiscal year such sums as are necessary—

(i) to provide each amount determined for a State under subparagraph (A) to the Head Start agencies (including Early Head Start agencies) in the State that are not described in clause (ii) or (iii), by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year;

(ii) to provide an amount for the Indian Head Start programs that is equal to the amount provided for base grants for such programs under this subchapter for the prior fiscal year, by allotting to each Head Start agency (including each Early Head Start agency) administering an Indian Head Start program an amount equal to that agency's base grant for the prior fiscal year;

(iii) to provide an amount for the migrant and seasonal Head Start programs, on a nationwide basis, that is equal to the amount provided nationwide for base grants for such programs under this subchapter for the prior fiscal year, by allotting to each Head Start agency administering a migrant or seasonal Head Start program an amount equal to that agency's base grant for the prior fiscal year;

(iv) to provide an amount for each of Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, *the Republic of Palau,* and the Virgin Islands of the United States (for Head Start agencies (including Early Head Start agencies) in the jurisdiction) that is equal to the amount provided for base grants for such jurisdiction under this subchapter for the prior fiscal year, by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year;

[(v) to provide an amount for the Republic of Palau (for Head Start agencies (including Early Head Start agencies) in the jurisdiction) for each of fiscal years 2008 and 2009, and (if legislation approving a new agreement regarding United States assistance for the Republic of Palau has not been enacted by September 30, 2009) for each of fiscal years 2010 through 2012, that is equal to the amount provided for base grants for such jurisdiction under this subchapter for the prior fiscal year, by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year; and]

(v) if a base grant has been established through appropriations for the Federated States of Micronesia or the Republic of the Marshall Islands, to provide an amount for that jurisdiction (for Head Start agencies (including Early Head Start agencies) in the jurisdiction) that is equal to the amount provided for base grants for such jurisdiction under this subchapter for the prior fiscal year, by allotting to each agency described in this clause an amount equal to that agency's base grant for the prior fiscal year; and

(vi) to provide an amount for a collaboration grant under section 642B(a) for each State, for the Indian Head Start programs, and for the migrant and seasonal Head Start programs, in the same amount as the corresponding collaboration grant provided under this subchapter for fiscal year 2007.

(C)(i) The Secretary shall reserve for each fiscal year an amount that is not less than 2.5 percent and not more than 3 percent of the sums appropriated pursuant to section 639 for that fiscal year, to fund training and technical assistance activities, from which reserved amount—

(I) the Secretary shall set aside a portion, but not less than 20 percent, to be used to fund training and technical assistance

activities for Early Head Start programs, in accordance with section 645A(g)(2); and

(II) the Secretary shall set aside a portion, equal to the rest of the reserved amount, to fund training and technical assistance activities for other Head Start programs, in accordance with section 648, of which portion—

(aa) not less than 50 percent shall be made available to Head Start agencies to use directly, which may include at their discretion the establishment of local or regional agreements with community experts, institutions of higher education, or private consultants, to make program improvements identified by such agencies, by carrying out the training and technical assistance activities described in section 648(d);

(bb) not less than 25 percent shall be available to the Secretary to support a State-based training and technical assistance system, or a national system, described in section 648(e) for supporting program quality; and

(cc) the remainder of the portion set aside under this subclause shall be available to the Secretary to assist Head Start agencies in meeting and exceeding the standards described in section 641A(a)(1) by carrying out activities described in subsections (a), (b), (c), (f), and (g) of section 648, including helping Head Start programs address weaknesses identified by monitoring activities conducted by the Secretary under section 641A(c), except that not less than $3,000,000 of the remainder shall be made available to carry out activities described in section 648(a)(3)(B)(ii).

(ii) In determining the portion set aside under clause (i)(I) and the amount reserved under this subparagraph, the Secretary shall consider the number of Early Head Start programs newly funded for that fiscal year.

(D) The Secretary shall reserve not more than $20,000,000 to fund research, demonstration, and evaluation activities under section 649, of which not more than $7,000,000 for each of fiscal years 2008 through 2012 shall be available to carry out impact studies under section 649(g).

(E) The Secretary shall reserve not more than $42,000,000 for discretionary payments by the Secretary, including payments for all costs (other than compensation of Federal employees) for activities carried out under subsection (c) or (e) of section 641A.

(F) If the sums appropriated under section 639 are not sufficient to provide the amounts required to be reserved under subparagraphs (B) through (E), the amounts shall be reduced proportionately.

(G) Nothing in this section shall be construed to deny the Secretary the authority, consistent with sections 641, 641A, and 646 to terminate, suspend, or reduce funding to a Head Start agency.

(3)(A) From any amount remaining for a fiscal year after the Secretary carries out paragraph (2) (referred to in this paragraph as the "remaining amount"), the Secretary shall—

(i) subject to clause (ii)—

(I) provide a cost of living increase for each Head Start agency (including each Early Head Start agency) funded

under this subchapter for that fiscal year, to maintain the level of services provided during the prior year; and

(II) subject to subparagraph (B), provide $10,000,000 for Indian Head Start programs (including Early Head Start programs), and $10,000,000 for migrant and seasonal Head Start programs, to increase enrollment in the programs involved;

(ii) subject to clause (iii), if the remaining amount is not sufficient to carry out clause (i)—

(I) for each of fiscal years 2008, 2009, and 2010—

(aa) subject to subparagraph (B), provide 5 percent of that amount for Indian Head Start programs (including Early Head Start programs), and 5 percent of that amount for migrant and seasonal Head Start programs, to increase enrollment in the programs involved; and

(bb) use 90 percent of that amount to provide, for each Head Start agency (including each Early Head Start agency) funded as described in clause (i)(I), the same percentage (but not less than 50 percent) of the cost of living increase described in clause (i); and

(II) for fiscal year 2011 and each subsequent fiscal year—

(aa) provide, for each Head Start agency (including each Early Head Start agency) funded as described in clause (i)(I), the cost of living increase described in clause (i); and

(bb) subject to subparagraph (B), with any portion of the remaining amount that is not used under item (aa), provide equal amounts for Indian Head Start programs (including Early Head Start programs), and for migrant and seasonal Head Start programs, to increase enrollment in the programs involved; and

(iii) if the remaining amount is not sufficient to carry out clause (ii) for the fiscal year involved, use that amount to provide, for each Head Start agency (including each Early Head Start agency) funded as described in clause (i)(I), the same percentage of the cost of living increase described in clause (i).

(B)(i) Notwithstanding any other provision of this paragraph, the Indian Head Start programs shall not receive more than a total cumulative amount of $50,000,000 for all fiscal years, and the migrant and seasonal Head Start programs shall not receive more than a total cumulative amount of $50,000,000 for all fiscal years, under clause (i)(II), and subclauses (I)(aa) and (II)(bb) of clause (ii), of subparagraph (A) (referred to in this subsection as the "special expansion provisions"), to increase enrollment in the programs involved.

(ii)(I) Funds that are appropriated under section 639 for a fiscal year, and made available to Indian Head Start programs or migrant or seasonal Head Start programs under the special expansion provisions, shall remain available until the end of the following fiscal year.

(II) For purposes of subclause (I)—

(aa) if no portion is reallocated under clause (iii), those funds shall remain available to the programs involved; or

(bb) if a portion is reallocated under clause (iii), the portion shall remain available to the recipients of the portion.

(iii) Of the funds made available as described in clause (ii), the Secretary shall reallocate the portion that the Secretary determines is unobligated 18 months after the funds are made available. The Secretary shall add that portion to the balance described in paragraph (4), and reallocate the portion in accordance with paragraph (4), for the following fiscal year referred to in clause (ii).

(4)(A) Except as provided in subparagraph (B), from any amount remaining for a fiscal year after the Secretary carries out paragraphs (2) and (3) (referred to in this paragraph as the "balance"), the Secretary shall—

(i) reserve 40 percent to carry out subparagraph (C) and paragraph (5);

(ii) reserve 45 percent to carry out subparagraph (D); and

(iii) reserve 15 percent (which shall remain available through the end of fiscal year 2012) to provide funds for carrying out section 642B(b)(2).

(B)(i) Under the circumstances described in clause (ii), from the balance, the Secretary shall—

(I) reserve 45 percent to carry out subparagraph (C) and paragraph (5); and

(II) reserve 55 percent to carry out subparagraph (D).

(ii) The Secretary shall make the reservations described in clause (i) for a fiscal year if—

(I) the total cumulative amount reserved under subparagraph (A)(iii) for all preceding fiscal years equals $100,000,000; or

(II) in the 2-year period preceding such fiscal year, funds were reserved under subparagraph (A)(iii) in an amount that totals not less than $15,000,000 and the Secretary received no approvable applications for such funds.

(iii) The total cumulative amount reserved under subparagraph (A)(iii) for all fiscal years may not be greater than $100,000,000.

(C) The Secretary shall fund the quality improvement activities described in paragraph (5) using the amount reserved under subparagraph (A)(i) or subparagraph (B)(i)(I), as appropriate, of which—

(i) a portion that is less than 10 percent may be reserved by the Secretary to provide funding to Head Start agencies (including Early Head Start agencies) that demonstrate the greatest need for additional funding for such activities, as determined by the Secretary; and

(ii) a portion that is not less than 90 percent shall be reserved by the Secretary to allot, to each Head Start agency (including each Early Head Start agency), an amount that bears the same ratio to such portion as the number of enrolled children served by the agency involved bears to the number of enrolled children served by all the Head Start agencies (including Early Head Start agencies), except that the Secretary shall account for the additional costs of serving children in Early Head Start programs and may consider whether an agency is providing a full-day program or whether an agency is providing a full-year program.

(D) The Secretary shall fund expansion of Head Start programs (including Early Head Start programs) using the amount reserved under subparagraph (A)(ii) or subparagraph (B)(i)(II), as appropriate, of which the Secretary shall—

(i) use 0.2 percent for Head Start programs funded under clause (iv) or (v) of paragraph (2)(B) (other than Early Head Start programs);

(ii) for any fiscal year after the last fiscal year for which Indian Head Start programs receive funds under the special expansion provisions, use 3 percent for Head Start programs funded under paragraph (2)(B)(ii) (other than Early Head Start programs), except that the Secretary may increase that percentage if the Secretary determines that the results of the study conducted under section 649(k) indicate that the percentage should be increased;

(iii) for any fiscal year after the last fiscal year for which migrant or seasonal Head Start programs receive funds under the special expansion provisions, use 4.5 percent for Head Start programs funded under paragraph (2)(B)(iii) (other than Early Head Start programs), except that the Secretary may increase that percentage if the Secretary determines that the results of the study conducted under section 649(l) indicate that the percentage should be increased; and

(iv) from the remainder of the reserved amount—

(I) use 50 percent for Head Start programs funded under paragraph (2)(B)(i) (other than Early Head Start programs), of which—

(aa) the covered percentage shall be allocated among the States serving less than 60 percent (as determined by the Secretary) of children who are 3 or 4 years of age from families whose income is below the poverty line, by allocating to each of those States an amount that bears the same relationship to that covered percentage as the number of children who are less than 5 years of age from families whose income is below the poverty line (referred to in this subclause as "young low-income children") in that State bears to the number of young low-income children in all those States; and

(bb) the remainder shall be allocated proportionately among the States on the basis of the number of young low-income children; and

(II) use 50 percent for Early Head Start programs.

(E) In this paragraph, the term "covered percentage" means—

(i) for fiscal year 2008, 30 percent;

(ii) for fiscal year 2009, 40 percent;

(iii) for fiscal year 2010, 50 percent;

(iv) for fiscal year 2011, 55 percent; and

(v) for fiscal year 2012, 55 percent.

(5)(A) Not less than 50 percent of the amount reserved under subparagraph (A)(i) or subparagraph (B)(i)(I), as appropriate, of paragraph (4) to carry out quality improvement activities under paragraph (4)(C) and this paragraph shall be used to improve the compensation (including benefits) of educational personnel, family service workers, and child counselors, as described in sections

644(a) and 653, in the manner determined by the Head Start agencies (including Early Head Start agencies) involved, to—

(i) ensure that compensation is adequate to attract and retain qualified staff for the programs involved in order to enhance program quality;

(ii) improve staff qualifications and assist with the implementation of career development programs for staff that support ongoing improvement of their skills and expertise; and

(iii) provide education and professional development to enable teachers to be fully competent to meet the professional standards established under section 648A(a)(1), including—

(I) providing assistance to complete postsecondary course work;

(II) improving the qualifications and skills of educational personnel to become certified and licensed as bilingual education teachers, or as teachers of English as a second language; and

(III) improving the qualifications and skills of educational personnel to teach and provide services to children with disabilities.

(B) Any remaining funds from the reserved amount described in subparagraph (A) shall be used to carry out any of the following activities:

(i) Supporting staff training, child counseling, and other services, necessary to address the challenges of children from immigrant, refugee, and asylee families, homeless children, children in foster care, limited English proficient children, children of migrant or seasonal farmworker families, children from families in crisis, children referred to Head Start programs (including Early Head Start programs) by child welfare agencies, and children who are exposed to chronic violence or substance abuse.

(ii) Ensuring that the physical environments of Head Start programs are conducive to providing effective program services to children and families, and are accessible to children with disabilities and other individuals with disabilities.

(iii) Employing additional qualified classroom staff to reduce the child-to-teacher ratio in the classroom and additional qualified family service workers to reduce the family-to-staff ratio for those workers.

(iv) Ensuring that Head Start programs have qualified staff that promote the language skills and literacy growth of children and that provide children with a variety of skills that have been identified, through scientifically based reading research, as predictive of later reading achievement.

(v) Increasing hours of program operation, including—

(I) conversion of part-day programs to full-working-day programs; and

(II) increasing the number of weeks of operation in a calendar year.

(vi) Improving communitywide strategic planning and needs assessments for Head Start programs and collaboration efforts for such programs, including outreach to children described in clause (i).

(vii) Transporting children in Head Start programs safely, except that not more than 10 percent of funds made available to carry out this paragraph may be used for such purposes.

(viii) Improving the compensation and benefits of staff of Head Start agencies, in order to improve the quality of Head Start programs.

(6) No sums appropriated under this subchapter may be combined with funds appropriated under any provision other than this subchapter if the purpose of combining funds is to make a single discretionary grant or a single discretionary payment, unless such sums appropriated under this subchapter are separately identified in such grant or payment and are used for the purposes of this subchapter.

(7) In this subsection:

(A) The term "base grant", used with respect to a fiscal year, means the amount of permanent ongoing funding (other than funding described in sections 645A(g)(2)(A)(i) and paragraph (2)(C)(i)(II)(aa)) provided to a Head Start agency (including an Early Head Start agency) under this subchapter for that fiscal year.

(B) The term "cost-of-living increase", used with respect to an agency for a fiscal year, means an increase in the funding for that agency, based on the percentage change in the Consumer Price Index for All Urban Consumers (issued by the Bureau of Labor Statistics) for the prior fiscal year, calculated on the amount of the base grant for that agency for the prior fiscal year.

(C) For the purposes of this subsection, the term "State" does not include Guam, American Samoa, the Virgin Islands of the United States, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

(b) Financial assistance extended under this subchapter for a Head Start program shall not exceed 80 percent of the approved costs of the assisted program or activities, except that the Secretary may approve assistance in excess of such percentage if the Secretary determines that such action is required in furtherance of the purposes of this subchapter. For the purpose of making such determination, the Secretary shall take into consideration with respect to the Head Start program involved—

(1) the lack of resources available in the community that may prevent the Head Start agency from providing all or a portion of the non-Federal contribution that may be required under this subsection;

(2) the impact of the cost the Head Start agency may incur in initial years it carries out such program;

(3) the impact of an unanticipated increase in the cost the Head Start agency may incur to carry out such program;

(4) whether the Head Start agency is located in a community adversely affected by a major disaster; and

(5) the impact on the community that would result if the Head Start agency ceased to carry out such program.

Non-Federal contributions may be in cash or in kind, fairly evaluated, including plant, equipment, or services. The Secretary shall not require non-Federal contributions in excess of 20 percent of the

approved costs of programs or activities assisted under this subchapter.

(c) No programs shall be approved for assistance under this subchapter unless the Secretary is satisfied that the services to be provided under such program will be in addition to, and not in substitution for, comparable services previously provided without Federal assistance. The requirement imposed by the preceding sentence shall be subject to such regulations as the Secretary may prescribe.

(d)(1) The Secretary shall establish policies and procedures to assure that, for fiscal year 2009 and thereafter, not less than 10 percent of the total number of children actually enrolled by each Head Start agency and each delegate agency will be children with disabilities who are determined to be eligible for special education and related services, or early intervention services, as appropriate, as determined under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), by the State or local agency providing services under section 619 or part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.).

(2) Such policies and procedures shall ensure the provision of early intervening services, such as educational and behavioral services and supports, to meet the needs of children with disabilities, prior to an eligibility determination under the Individuals with Disabilities Education Act.

(3) Such policies and procedures shall require Head Start agencies to provide timely referral to and collaborate with the State or local agency providing services under section 619 or part C of the Individuals with Disabilities Education Act to ensure the provision of special education and related services and early intervention services, and the coordination of programmatic efforts, to meet the special needs of such children.

(4) The Secretary shall establish policies and procedures to provide Head Start agencies with waivers of the requirements of paragraph (1) for not more than 3 years. Such policies and procedures shall require Head Start agencies, in order to receive such waivers, to provide evidence demonstrating that the Head Start agencies are making reasonable efforts on an annual basis to comply with the requirements of that paragraph.

(5) Nothing in this subsection shall be construed to limit or create a right to a free appropriate public education under the Individuals with Disabilities Education Act.

(e) The Secretary shall adopt approximate administrative measures to assure that the benefits of this subchapter will be distributed equitably between residents of rural and urban areas.

(f)(1) Not later than 1 year after the date of enactment of the Improving Head Start for School Readiness Act of 2007, the Secretary shall establish procedures to enable Head Start agencies to develop locally designed or specialized service delivery models to address local community needs, including models that leverage the capacity and capabilities of the delivery system of early childhood education and development services or programs.

(2) In establishing the procedures the Secretary shall establish procedures to provide for—

(A) the conversion of part-day programs to full-working-day programs or part-day slots to full-working-day slots; and

(B) serving additional infants and toddlers pursuant to section 645(a)(5).

(g)(1) For the purpose of expanding Head Start programs the Secretary shall take into consideration—

(A) the quality of the applicant's programs (including Head Start and other child care or child development programs) in existence on the date of the allocation, including, in the case of Head Start programs in existence on the date of the allocation, the extent to which such programs meet or exceed standards described in section 641A(a)(1) and other requirements under this subchapter, and the performance history of the applicant in providing services under other Federal programs (other than the program carried out under this subchapter);

(B) the applicant's capacity to expand services (including, in the case of Head Start programs in existence on the date of the allocation, whether the applicant accomplished any prior expansions in an effective and timely manner);

(C) the extent to which the applicant has undertaken a communitywide strategic planning and needs assessment involving other entities, including community organizations, and Federal, State, and local public agencies (including the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii))), that provide services to children and families, such as—

(i) family support services;

(ii) child abuse prevention services;

(iii) protective services;

(iv) foster care;

(v) services for families in whose homes English is not the language customarily spoken;

(vi) services for children with disabilities; and

(vii) services for homeless children;

(D) the extent to which the family needs assessment and communitywide strategic planning and needs assessment of the applicant reflect a need to provide full-working-day or full calendar year services and the extent to which, and manner in which, the applicant demonstrates the ability to collaborate and participate with the State and local community providers of child care or preschool services to provide full-working-day full calendar year services;

(E) the number of eligible children, as described in clause (i) or (ii) of section 645(a)(1)(B), in each community who are not participating in a Head Start program or any other publicly funded early childhood education and development program;

(F) the concentration of low-income families in each community;

(G) the extent to which the applicant proposes to foster partnerships with other service providers in a manner that will leverage the existing delivery systems of such services and enhance the resource capacity of the applicant; and

(H) the extent to which the applicant, in providing services, successfully coordinated activities with the local educational agency serving the community involved (including the local

educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii))), and with schools in which children participating in such applicant's program will enroll following such program, with respect to such services and the education services provided by such local educational agency.

(2) Notwithstanding paragraph (1), in using funds made available for expansion under subsection (a)(4)(D), the Secretary shall first allocate the funds to qualified applicants proposing to use such funds to serve children from families with incomes below the poverty line. Agencies that receive such funds are subject to the eligibility and enrollment requirements under section 645(a)(1).

(3)(A) In the event that the amount appropriated to carry out the program under this subchapter for a fiscal year does not exceed the amount appropriated for the prior fiscal year, or is not sufficient to maintain services comparable to the services provided under this subchapter during the prior fiscal year, a Head Start agency may negotiate with the Secretary a reduced funded enrollment level without a reduction in the amount of the grant received by the agency under this subchapter, if such agency can reasonably demonstrate that such reduced funded enrollment level is necessary to maintain the quality of services.

(B) In accordance with this paragraph, the Secretary shall set up a process for Head Start agencies to negotiate the reduced funded enrollment levels referred to in subparagraph (A) for the fiscal year involved.

(C) In the event described in subparagraph (A), the Secretary shall be required to notify Head Start agencies of their ability to negotiate the reduced funded enrollment levels if such an agency can reasonably demonstrate that such reduced funded enrollment level is necessary to maintain the quality of services.

(h) Financial assistance provided under this subchapter may be used by each Head Start program to provide full-working-day Head Start services to any eligible child throughout the full calendar year.

(i) The Secretary shall issue regulations establishing requirements for the safety features, and the safe operation, of vehicles used by Head Start agencies to transport children participating in Head Start programs. The regulations shall also establish requirements to ensure the appropriate supervision of, and appropriate background checks for, individuals with whom the agencies contract to transport those children.

(j) Any agency that receives financial assistance under this subchapter to improve the compensation of staff who provide services under this Act shall use the financial assistance to improve the compensation of such staff, regardless of whether the agency has the ability to improve the compensation of staff employed by the agency who do not provide Head Start services.

(k)(1) The Secretary shall allow center-based Head Start programs the flexibility to satisfy the total number of hours of service required by the regulations in effect on the date of enactment of the Human Services Amendments of 1994, to be provided to children in Head Start programs so long as such agencies do not—

(A) provide less than 3 hours of service per day;

(B) reduce the number of days of service per week; or

(C) reduce the number of days of service per year.

(2) The provisions of this subsection shall not be construed to restrict the authority of the Secretary to fund alternative program variations authorized under section 1306.35 of title 45 of the Code of Federal Regulations in effect on the date of enactment of the Human Services Amendments of 1994.

(l)(1) With funds made available under this subchapter to expand migrant and seasonal Head Start programs, the Secretary shall give priority to migrant and seasonal Head Start programs that serve eligible children of migrant or seasonal farmworker families whose work requires them to relocate most frequently.

(2) In determining the need and demand for migrant and seasonal Head Start programs (and services provided through such programs), the Secretary shall consult with appropriate entities, including providers of services for migrant and seasonal Head Start programs. The Secretary shall, after taking into consideration the need and demand for migrant and seasonal Head Start programs (and such services), ensure that there is an adequate level of such services for eligible children of migrant farmworker families before approving an increase in the allocation of funds provided under this subchapter for unserved eligible children of seasonal farmworker families. In serving the eligible children of seasonal farmworker families, the Secretary shall ensure that services provided by migrant and seasonal Head Start programs do not duplicate or overlap with other Head Start services available to eligible children of such farmworker families.

(3) In carrying out this subchapter, the Secretary shall continue the administrative arrangement at the national level for meeting the needs of Indian children and children of migrant and seasonal farmworker families and shall ensure—

(A) the provision of training and technical assistance by staff with knowledge of and experience in working with such populations; and

(B) the appointment of a national Indian Head Start collaboration director and a national migrant and seasonal Head Start collaboration director.

(4)(A) For the purposes of paragraph (3), the Secretary shall conduct an annual consultation in each affected Head Start region, with tribal governments operating Head Start (including Early Head Start) programs.

(B) The consultations shall be for the purpose of better meeting the needs of Indian, including Alaska Native, children and their families, in accordance with this subchapter, taking into consideration funding allocations, distribution formulas, and other issues affecting the delivery of Head Start services in their geographic locations.

(C) The Secretary shall publish a notification of the consultations in the Federal Register before conducting the consultations.

(D) The Secretary shall ensure that a detailed report of each consultation shall be prepared and made available, within 90 days after the consultation, to all tribal governments receiving funds under this subchapter.

(m) The Secretary shall issue rules to establish policies and procedures to remove barriers to the enrollment and participation of

homeless children in Head Start programs. Such rules shall require Head Start agencies—

(1) to implement policies and procedures to ensure that homeless children are identified and prioritized for enrollment;

(2) to allow families of homeless children to apply to, enroll in, and attend Head Start programs while required documents, such as proof of residency, immunization and other medical records, birth certificates, and other documents, are obtained within a reasonable time frame; and

(3) to coordinate individual Head Start programs with efforts to implement subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).

(n) Nothing in this subchapter shall be construed to require a State to establish a publicly funded program of early childhood education and development, or to require any child to participate in such a publicly funded program, including a State-funded preschool program, or to participate in any initial screening before participating in a publicly funded program of early childhood education and development, except as provided under sections 612(a)(3) and 635(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(3), 1435(a)(5)).

(o) All curricula funded under this subchapter shall be based on scientifically valid research, and be age and developmentally appropriate. The curricula shall reflect all areas of child development and learning and be aligned with the Head Start Child Outcomes Framework. Parents shall have the opportunity to examine any such curricula or instructional materials funded under this subchapter.

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PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

* * * * * * *

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

* * * * * * *

Subtitle A—Eligibility for Federal Benefits

* * * * * * *

SEC. 402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 431) is not eligible for any specified Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—With respect to the specified Federal programs described in paragraph (3), paragraph (1) shall not apply to an alien until 7 years after the date—

(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(ii) an alien is granted asylum under section 208 of such Act;

(iii) an alien's deportation is withheld under section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208);

(iv) an alien is granted status as a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980); or

(v) an alien is admitted to the United States as an Amerasian immigrant pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988 (as contained in section 101(e) of Public Law 100–202 and amended by the 9th proviso under MIGRATION AND REFUGEE ASSISTANCE in title II of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989, Public Law 100–461, as amended).

(B) CERTAIN PERMANENT RESIDENT ALIENS.—Paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) in the case of any such qualifying quarter creditable for any period beginning after December 31, 1996, did not receive any Federal means-tested public benefit (as provided under section 403) during any such period.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—Paragraph (1) shall not apply to an alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101, 1101, or 1301, or as described in section 107 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage and who fulfills the minimum active-duty service requirements of section 5303A(d) of title 38, United States Code,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii) or the unremarried surviving spouse of an individual de-

scribed in clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code.

(D) TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS.—

(i) SSI.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(A), during the period beginning on the date of the enactment of this Act and ending on September 30, 1998, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under such program as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) REDETERMINATION CRITERIA.—With respect to any redetermination under subclause (I), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the redetermination under subclause (I), shall only apply with respect to the benefits of an individual described in subclause (I) for months beginning on or after September 30, 1998.

(IV) NOTICE.—Not later than March 31, 1997, the Commissioner of Social Security shall notify an individual described in subclause (I) of the provisions of this clause.

(ii) FOOD STAMPS.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(B), ineligibility under paragraph (1) shall not apply until April 1, 1997, to an alien who received benefits under such program on the date of enactment of this Act, unless such alien is determined to be ineligible to receive such benefits under the Food Stamp Act of 1977. The State agency shall recertify the eligibility of all such aliens during the period beginning April 1, 1997, and ending August 22, 1997.

(II) RECERTIFICATION CRITERIA.—With respect to any recertification under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the recertification under subclause (I) shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of recertification, if on the date of enactment of this Act the alien is lawfully residing in any State and is receiving bene-

fits under such program on such date of enactment.

(E) ALIENS RECEIVING SSI ON AUGUST 22, 1996.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to an alien who is lawfully residing in the United States and who was receiving such benefits on August 22, 1996.

(F) DISABLED ALIENS LAWFULLY RESIDING IN THE UNITED STATES ON AUGUST 22, 1996.—With respect to eligibility for benefits for the specified Federal programs described in paragraph (3), paragraph (1) shall not apply to an alien who—

(i) in the case of the specified Federal program described in paragraph (3)(A)—

(I) was lawfully residing in the United States on August 22, 1996; and

(II) is blind or disabled (as defined in paragraph (2) or (3) of section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a))); and

(ii) in the case of the specified Federal program described in paragraph (3)(B), is receiving benefits or assistance for blindness or disability (within the meaning of section 3(j) of the Food Stamp Act of 1977 (7 U.S.C. 2012(r))).

(G) EXCEPTION FOR CERTAIN INDIANS.—With respect to eligibility for benefits for the specified Federal programs described in paragraph (3), section 401(a) and paragraph (1) shall not apply to any individual—

(i) who is an American Indian born in Canada to whom the provisions of section 289 of the Immigration and Nationality Act (8 U.S.C. 1359) apply; or

(ii) who is a member of an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e))).

(H) SSI EXCEPTION FOR CERTAIN RECIPIENTS ON THE BASIS OF VERY OLD APPLICATIONS.—With respect to eligibility for benefits for the program defined in paragraph (3)(A) (relating to the supplemental security income program), paragraph (1) shall not apply to any individual—

(i) who is receiving benefits under such program for months after July 1996 on the basis of an application filed before January 1, 1979; and

(ii) with respect to whom the Commissioner of Social Security lacks clear and convincing evidence that such individual is an alien ineligible for such benefits as a result of the application of this section.

(I) FOOD STAMP EXCEPTION FOR CERTAIN ELDERLY INDIVIDUALS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who on August 22, 1996—

(i) was lawfully residing in the United States; and

(ii) was 65 years of age or older.

(J) FOOD STAMP EXCEPTION FOR CERTAIN CHILDREN.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who is under 18 years of age.

(K) FOOD STAMP EXCEPTION FOR CERTAIN HMONG AND HIGHLAND LAOTIANS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to—

(i) any individual who—

(I) is lawfully residing in the United States; and

(II) was a member of a Hmong or Highland Laotian tribe at the time that the tribe rendered assistance to United States personnel by taking part in a military or rescue operation during the Vietnam era (as defined in section 101 of title 38, United States Code);

(ii) the spouse, or an unmarried dependent child, of such an individual; or

(iii) the unremarried surviving spouse of such an individual who is deceased.

(L) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any qualified alien who has resided in the United States with a status within the meaning of the term "qualified alien" for a period of 5 years or more beginning on the date of the alien's entry into the United States.

(M) SSI EXTENSIONS THROUGH FISCAL YEAR 2011.—

(i) TWO-YEAR EXTENSION FOR CERTAIN ALIENS AND VICTIMS OF TRAFFICKING.—

(I) IN GENERAL.—Subject to clause (ii), with respect to eligibility for benefits under subparagraph (A) for the specified Federal program described in paragraph (3)(A) of qualified aliens (as defined in section 431(b)) and victims of trafficking in persons (as defined in section 107(b)(1)(C) of division A of the Victims of Trafficking and Violence Protection Act of 2000 (Public Law 106–386) or as granted status under section 101(a)(15)(T)(ii) of the Immigration and Nationality Act), the 7-year period described in subparagraph (A) shall be deemed to be a 9-year period during fiscal years 2009 through 2011 in the case of such a qualified alien or victim of trafficking who furnishes to the Commissioner of Social Security the declaration required under subclause (IV) (if applicable) and is described in subclause (III).

(II) ALIENS AND VICTIMS WHOSE BENEFITS CEASED IN PRIOR FISCAL YEARS.—Subject to clause (ii), beginning on the date of the enactment of the SSI Extension for Elderly and Disabled Refugees Act, any qualified alien (as defined in section 431(b)) or victim of trafficking in persons (as de-

fined in section 107(b)(1)(C) of division A of the Victims of Trafficking and Violence Protection Act of 2000 (Public Law 106–386) or as granted status under section 101(a)(15)(T)(ii) of the Immigration and Nationality Act) rendered ineligible for the specified Federal program described in paragraph (3)(A) during the period beginning on August 22, 1996, and ending on September 30, 2008, solely by reason of the termination of the 7-year period described in subparagraph (A) shall be eligible for such program for an additional 2-year period in accordance with this clause, if such qualified alien or victim of trafficking meets all other eligibility factors under title XVI of the Social Security Act, furnishes to the Commissioner of Social Security the declaration required under subclause (IV) (if applicable), and is described in subclause (III).

(III) ALIENS AND VICTIMS DESCRIBED.—For purposes of subclauses (I) and (II), a qualified alien or victim of trafficking described in this subclause is an alien or victim who—

(aa) has been a lawful permanent resident for less than 6 years and such status has not been abandoned, rescinded under section 246 of the Immigration and Nationality Act, or terminated through removal proceedings under section 240 of the Immigration and Nationality Act, and the Commissioner of Social Security has verified such status, through procedures established in consultation with the Secretary of Homeland Security;

(bb) has filed an application, within 4 years from the date the alien or victim began receiving supplemental security income benefits, to become a lawful permanent resident with the Secretary of Homeland Security, and the Commissioner of Social Security has verified, through procedures established in consultation with such Secretary, that such application is pending;

(cc) has been granted the status of Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96–422), for purposes of the specified Federal program described in paragraph (3)(A);

(dd) has had his or her deportation withheld by the Secretary of Homeland Security under section 243(h) of the Immigration and Nationality Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208), or whose removal is withheld under section 241(b)(3) of such Act;

(ee) has not attained age 18; or

(ff) has attained age 70.

(IV) DECLARATION REQUIRED.—

(aa) IN GENERAL.—For purposes of subclauses (I) and (II), the declaration required under this subclause of a qualified alien or victim of trafficking described in either such subclause is a declaration under penalty of perjury stating that the alien or victim has made a good faith effort to pursue United States citizenship, as determined by the Secretary of Homeland Security. The Commissioner of Social Security shall develop criteria as needed, in consultation with the Secretary of Homeland Security, for consideration of such declarations.

(bb) EXCEPTION FOR CHILDREN.—A qualified alien or victim of trafficking described in subclause (I) or (II) who has not attained age 18 shall not be required to furnish to the Commissioner of Social Security a declaration described in item (aa) as a condition of being eligible for the specified Federal program described in paragraph (3)(A) for an additional 2-year period in accordance with this clause.

(V) PAYMENT OF BENEFITS TO ALIENS WHOSE BENEFITS CEASED IN PRIOR FISCAL YEARS.—Benefits paid to a qualified alien or victim described in subclause (II) shall be paid prospectively over the duration of the qualified alien's or victim's renewed eligibility.

(ii) SPECIAL RULE IN CASE OF PENDING OR APPROVED NATURALIZATION APPLICATION.—With respect to eligibility for benefits for the specified program described in paragraph (3)(A), paragraph (1) shall not apply during fiscal years 2009 through 2011 to an alien described in one of clauses (i) through (v) of subparagraph (A) or a victim of trafficking in persons (as defined in section 107(b)(1)(C) of division A of the Victims of Trafficking and Violence Protection Act of 2000 (Public Law 106–386) or as granted status under section 101(a)(15)(T)(ii) of the Immigration and Nationality Act), if such alien or victim (including any such alien or victim rendered ineligible for the specified Federal program described in paragraph (3)(A) during the period beginning on August 22, 1996, and ending on September 30, 2008, solely by reason of the termination of the 7-year period described in subparagraph (A)) has filed an application for naturalization that is pending before the Secretary of Homeland Security or a United States district court based on section 336(b) of the Immigration and Nationality Act, or has been approved for naturalization but not yet sworn in as a United States citizen, and the Commissioner of Social Security has verified, through procedures established in consultation with the Secretary of Homeland Secu-

rity, that such application is pending or has been approved.

(N) EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.—With respect to eligibility for benefits for any specified Federal program, paragraph (1) shall not apply to any individual who lawfully resides in the United States in accordance with section 141 of the Compacts of Free Association between the Government of the United States and the Governments of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this title, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(l) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) MEDICAID.—With respect to the designated Federal program described in paragraph (3)(C), paragraph (1) shall not apply to an alien until 7 years after the date—

(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(II) an alien is granted asylum under section 208 of such Act;

(III) an alien's deportation is withheld under section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208);

(IV) an alien is granted status as a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980); or

(V) an alien admitted to the United States as an Amerasian immigrant as described in subsection (a)(2)(A)(i)(V) until 5 years after the date of such alien's entry into the United States.

(ii) OTHER DESIGNATED FEDERAL PROGRAMS.—With respect to the designated Federal programs under paragraph (3) (other than subparagraph (C)), paragraph (1) shall not apply to an alien until 5 years after the date—

(I) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(II) an alien is granted asylum under section 208 of such Act;

(III) an alien's deportation is withheld under section 243(h) of such Act;

(IV) an alien is granted status as a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980); or

(V) an alien admitted to the United States as an Amerasian immigrant as described in subsection (a)(2)(A)(i)(V) until 5 years after the date of such alien's entry into the United States.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) in the case of any such qualifying quarter creditable for any period beginning after December 31, 1996, did not receive any Federal means-tested public benefit (as provided under section 403) during any such period.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101, 1101, or 1301, or as described in section 107 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage and who fulfills the minimum active-duty service requirements of section 5303A(d) of title 38, United States Code,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii) or the unremarried surviving spouse of an individual described in clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code.

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(E) MEDICAID EXCEPTION FOR CERTAIN INDIANS.—With respect to eligibility for benefits for the program defined in paragraph (3)(C) (relating to the medicaid program), section 401(a) and paragraph (1) shall not apply to any individual described in subsection (a)(2)(G).

(F) MEDICAID EXCEPTION FOR ALIENS RECEIVING SSI.—An alien who is receiving benefits under the program defined in subsection (a)(3)(A) (relating to the supplemental security income program) shall be eligible for medical assistance under a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) under the same terms and conditions that apply to other recipients of benefits under the program defined in such subsection.

(G) [MEDICAID EXCEPTION FOR] *EXCEPTION FOR* CITIZENS OF FREELY ASSOCIATED STATES.—With respect to eligibility for benefits for [the designated Federal program defined in paragraph (3)(C) (relating to the Medicaid program)] *any designated Federal program*, paragraph (1) shall not apply to any individual who lawfully resides in 1 of the 50 States or the District of Columbia in accordance with the Compacts of Free Association between the Government of the United States and the Governments of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau and shall not apply, at the option of the Governor of Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, or American Samoa as communicated to the Secretary of Health and Human Services in writing, to any individual who lawfully resides in the respective territory in accordance with such Compacts.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this title, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—A State plan approved under title XIX of the Social Security Act, other than medical assistance described in section 401(b)(1)(A).

SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b), (c), and (d), an alien who is a qualified alien (as defined in section 431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit for a period of 5 years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208).

(D) An alien who is a Cuban and Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980.

(E) An alien admitted to the United States as an Amerasian immigrant as described in section 402(a)(2)(A)(i)(V).

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101, 1101, or 1301, or as described in section 107 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage and who fulfills the minimum active-duty service requirements of section 5303A(d) of title 38, United States Code,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B) or the unremarried surviving spouse of an individual described in clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code.

(3) EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.—An individual described in section 402(b)(2)(G)[, but only with respect to the designated Federal program defined in section 402(b)(3)(C)].

(c) APPLICATION OF TERM FEDERAL MEANS-TESTED PUBLIC BENEFIT.—

(1) The limitation under subsection (a) shall not apply to assistance or benefits under paragraph (2).

(2) Assistance and benefits under this paragraph are as follows:

(A) Medical assistance described in section 401(b)(1)(A).

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Assistance or benefits under the Richard B. Russell National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E) Public health assistance (not including any assistance under title XIX of the Social Security Act) for immunizations with respect to immunizable diseases and for testing and treatment of symptoms of communicable dis-

eases whether or not such symptoms are caused by a communicable disease.

(F) Payments for foster care and adoption assistance under parts B and E of title IV of the Social Security Act for a parent or a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent (or parents) of such child is a qualified alien (as defined in section 431).

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965, and titles III, VII, and VIII of the Public Health Service Act.

(I) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(J) Benefits under the Head Start Act.

(K) Benefits under the title I of the Workforce Investment Act of 1998.

(L) Assistance or benefits provided to individuals under the age of 18 under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(d) BENEFITS FOR CERTAIN GROUPS.—Notwithstanding any other provision of law, the limitations under section 401(a) and subsection (a) shall not apply to—

(1) an individual described in section 402(a)(2)(G), but only with respect to the programs specified in subsections (a)(3) and (b)(3)(C) of section 402; or

(2) an individual, spouse, or dependent described in section 402(a)(2)(K), but only with respect to the specified Federal program described in section 402(a)(3)(B).

* * * * * * *

Subtitle D—General Provisions

SEC. 431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this title, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this title, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208),

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980,

(7) an alien who is a Cuban and Haitian entrant (as defined in section 501(e) of the Refugee Education Assistance Act of 1980), or

(8) an individual who lawfully resides in the United States in accordance with a Compact of Free Association referred to in section 402(b)(2)(G)[, but only with respect to the designated Federal program defined in section 402(b)(3)(C) (relating to the Medicaid program)].

(c) TREATMENT OF CERTAIN BATTERED ALIENS AS QUALIFIED ALIENS.—For purposes of this title, the term "qualified alien" includes—

(1) an alien who—

(A) has been battered or subjected to extreme cruelty in the United States by a spouse or a parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented to, or acquiesced in, such battery or cruelty, but only if (in the opinion of the agency providing such benefits) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

(B) has been approved or has a petition pending which sets forth a prima facie case for—

(i) status as a spouse or a child of a United States citizen pursuant to clause (ii), (iii), or (iv) of section 204(a)(1)(A) of the Immigration and Nationality Act,

(ii) classification pursuant to clause (ii) or (iii) of section 204(a)(1)(B) of the Act (as in effect prior to April 1, 1997),

(iii) suspension of deportation under section 244(a)(3) of the Immigration and Nationality Act (as in effect before the title III–A effective date in section 309 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996).

(iv) status as a spouse or child of a United States citizen pursuant to clause (i) of section 204(a)(1)(A) of such Act, or classification pursuant to clause (i) of section 204(a)(1)(B) of such Act;

(v) cancellation of removal pursuant to section 240A(b)(2) of such Act;

(2) an alien—

(A) whose child has been battered or subjected to extreme cruelty in the United States by a spouse or a parent

of the alien (without the active participation of the alien in the battery or cruelty), or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, and the alien did not actively participate in such battery or cruelty, but only if (in the opinion of the agency providing such benefits) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

(B) who meets the requirement of subparagraph (B) of paragraph (1);

(3) an alien child who—

(A) resides in the same household as a parent who has been battered or subjected to extreme cruelty in the United States by that parent's spouse or by a member of the spouse's family residing in the same household as the parent and the spouse consented or acquiesced to such battery or cruelty, but only if (in the opinion of the agency providing such benefits) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

(B) who meets the requirement of subparagraph (B) of paragraph (1); or

(4) an alien who has been granted nonimmigrant status under section 101(a)(15)(T) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(T)) or who has a pending application that sets forth a prima facie case for eligibility for such nonimmigrant status.

This subsection shall not apply to an alien during any period in which the individual responsible for such battery or cruelty resides in the same household or family eligibility unit as the individual subjected to such battery or cruelty.

After consultation with the Secretaries of Health and Human Services, Agriculture, and Housing and Urban Development, the Commissioner of Social Security, and with the heads of such Federal agencies administering benefits as the Attorney General considers appropriate, the Attorney General shall issue guidance (in the Attorney General's sole and unreviewable discretion) for purposes of this subsection and section 421(f), concerning the meaning of the terms "battery" and "extreme cruelty", and the standards and methods to be used for determining whether a substantial connection exists between battery or cruelty suffered and an individual's need for benefits under a specific Federal, State, or local program.

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PUBLIC HEALTH SERVICE ACT

TITLE I—SHORT TITLE AND DEFINITIONS

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DEFINITIONS

SEC. 2. When used in this Act—

(a) The term "Service" means the Public Health Service;

(b) The term "Surgeon General" means the Surgeon General of the Public Health Service;

(c) Unless the context otherwise requires, the term "Secretary" means the Secretary of Health and Human Services;

(d) The term "regulations", except when otherwise specified, means rules and regulations made by the Surgeon General with the approval of the Secretary;

(e) The term "executive department" means any executive department, agency, or independent establishment of the United States or any corporation wholly owned by the United States;

(f) Except as provided in sections 314(g)(4)(B), 318(c)(1), 331(h)(3), 355(5), 361(d), 701(9), 1002(c), 1401(13), and 1531(1), the term "State" includes, in addition to the several States, only the District of Columbia, Guam, the Commonwealth of Puerto Rico, the Northern Mariana Islands, the Virgin Islands, American Samoa, [and the Trust Territory of the Pacific Islands] *the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau*.

(g) The term "possession" includes, among other possessions, Puerto Rico and the Virgin Islands;

(i) The term "vessel" includes every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water, exclusive of aircraft and amphibious contrivances;

(j) The term "habit-forming narcotic drug" or "narcotic" means opium and coca leaves and the several alkaloids derived therefrom, the best known of these alkaloids being morphia, heroin, and codeine, obtained from opium, and cocaine derived from the coca plant; all compounds, salts, preparations, or other derivatives obtained either from the raw material or from the various alkaloids; Indian hemp and its various derivatives, compounds, and preparations, and peyote in its various forms; isonipecaine and its derivatives, compounds, salts and preparations; opiates (as defined in section 3228(f) of the Internal Revenue Code);

(k) The term "addict" means any person who habitually uses any habit-forming narcotic drugs so as to endanger the public morals, health, safety, or welfare, or who is or has been so far addicted to the use of such habit-forming narcotic drugs as to have lost the power of self-control with reference to his addiction;

(l) The term "psychiatric disorders" includes diseases of the nervous system which affect mental health;

(m) The term "State mental health authority" means the State health authority, except that, in the case of any State in which there is a single State agency, other than the State health authority, charged with responsibility for administering the mental health program of the State, it means such other State agency;

(n) The term "heart diseases" means diseases of the heart and circulation;

(o) The term "dental diseases and conditions" means diseases and conditions affecting teeth and their supporting structures, and other related diseases of the mouth;

(p) The term "uniformed service" means the Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service, or Coast and Geodetic Survey; and

(q) The term "drug dependent person" means a person who is using a controlled substance (as defined in section 102 of the Controlled Substances Act) and who is in a state of psychic or physical dependence, or both, arising from the use of that substance on a continuous basis. Drug dependence is characterized by behavioral and other responses which include a strong compulsion to take the substance on a continuous basis in order to experience its psychic effects or to avoid the discomfort caused by its absence.

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