

105TH CONGRESS  
1ST SESSION

# H. R. 2561

To provide low-income children educational opportunities.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 1997

Mr. WELDON of Florida introduced the following bill; which was referred to  
the Committee on Education and the Workforce

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## A BILL

To provide low-income children educational opportunities.

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

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Low-Income Edu-  
5       cational Opportunity Act of 1998”.

6       **SEC. 2. PURPOSE.**

7       The purpose of this Act is to determine the effects  
8       on students and schools of providing financial assistance  
9       to low-income parents to enable such parents to select the  
10      public or private schools their children will attend.

11      **SEC. 3. DEFINITIONS.**

12      As used in this Act—

1           (1) the term “choice school” means any public  
2           or private school, including a private sectarian  
3           school or a public charter school, that is involved in  
4           a demonstration project assisted under this Act;

5           (2) the term “eligible child” means a child in  
6           grades 1 through 12 who is eligible for free or re-  
7           duced price lunches under the National School  
8           Lunch Act (42 U.S.C. 1751 et seq.);

9           (3) the term “eligible entity” means a public  
10          agency, institution, or organization, such as a State,  
11          a consortium of public agencies, or a consortium of  
12          public and private nonprofit organizations, that can  
13          demonstrate, to the satisfaction of the Secretary, its  
14          ability to—

15                (A) receive, disburse, and account for Fed-  
16                eral funds; and

17                (B) carry out the activities described in its  
18                application under this Act;

19          (4) the term “evaluating agency” means any  
20          academic institution, consortium of professionals, or  
21          private or nonprofit organization, with demonstrated  
22          experience in conducting evaluations, that is not an  
23          agency or instrumentality of the Federal Govern-  
24          ment;

1           (5) the term “local educational agency” has the  
2           same meaning given such term in section 14101 of  
3           the Elementary and Secondary Education Act of  
4           1965;

5           (6) the term “parent” includes a legal guardian  
6           or other individual acting in loco parentis;

7           (7) the term “school” means a school that pro-  
8           vides elementary education or secondary education  
9           (through grade 12), as determined under State law;  
10          and

11          (8) the term “Secretary” means the Secretary  
12          of Education.

13 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

14          (a) IN GENERAL.—There are authorized to be appro-  
15          priated \$30,000,000 for fiscal year 1999, and such sums  
16          as may be necessary for each of the fiscal years 2000,  
17          2001, 2002, and 2003, to carry out this Act.

18          (b) RESERVATION.—From the amount appropriated  
19          pursuant to section 4 in any fiscal year, the Secretary  
20          shall reserve and make available to the Comptroller Gen-  
21          eral of the United States 5 percent for evaluation of  
22          programs assisted under this Act in accordance with  
23          section 11.

24 **SEC. 5. PROGRAM AUTHORIZED.**

25          (a) GRANTS.—

1           (1) IN GENERAL.—From the amount appro-  
2           priated pursuant to section 4 and not reserved under  
3           section 4(b) for any fiscal year, the Secretary, in  
4           consultation with the evaluating agency selected pur-  
5           suant to section 11(a)(1), shall award grants to eli-  
6           gible entities under this Act to carry out a total of  
7           not less than 10, but not more than 20, demonstra-  
8           tion projects under which parents of an eligible child  
9           receive an education scholarship for the costs of en-  
10          rolling such a child in a choice school.

11          (2) AMOUNT.—The Secretary shall award  
12          grants under paragraph (1) for each fiscal year in  
13          the following manner:

14                (A) GRANTS OF \$5,000,000 OR LESS.—Not  
15                more than 2 grants shall be awarded in an  
16                amount not to exceed \$5,000,000 with pref-  
17                erence for one such grant given to the District  
18                of Columbia if an application submitted by the  
19                District of Columbia meets the requirements of  
20                this Act.

21                (B) GRANTS OF \$3,000,000 OR LESS.—Each  
22                remaining grant awarded under this Act, not to  
23                exceed 18, shall be awarded in an amount that  
24                does not exceed \$3,000,000.

1           (3) CONTINUING ELIGIBILITY.—In awarding  
2       grants for the second, third, fourth, and fifth years,  
3       the Secretary shall continue to award grants to eligi-  
4       ble entities initially selected unless the Secretary de-  
5       termines that such an eligible entity was not in com-  
6       pliance with this Act for the preceding fiscal year.

7       (b) USE OF GRANTS.—Grants awarded under sub-  
8       section (b) shall be used to pay the costs of—

9           (1) providing an education scholarship to par-  
10      ents of an eligible child to enable such parents to  
11      pay the tuition, the fees, the allowable costs of  
12      transportation for their eligible child to attend a  
13      choice school; and

14          (2) administering the demonstration project,  
15      which shall not exceed 15 percent of the amount re-  
16      ceived in the first fiscal year for which the eligible  
17      entity provides education scholarships under this Act  
18      or 10 percent in any subsequent year, for activities  
19      that include—

20           (A) seeking the involvement of choice  
21      schools in the demonstration project;

22           (B) providing information about the dem-  
23      onstration project, and the schools involved in  
24      the demonstration project, to parents of eligible  
25      children;

1 (C) making determinations of eligibility for  
2 participation in the demonstration project for  
3 eligible children;

4 (D) selecting eligible children to participate  
5 in the demonstration project;

6 (E) determining the amount of, and issu-  
7 ing, education scholarships;

8 (F) compiling and maintaining such finan-  
9 cial and programmatic records as the Secretary  
10 may prescribe; and

11 (G) collecting such information about the  
12 effects of the demonstration project as the eval-  
13 uating agency requests to conduct the evalua-  
14 tion described in section 11.

15 **SEC. 6. AUTHORIZED PROJECTS; PRIORITY.**

16 (a) **AUTHORIZED PROJECTS.**—The Secretary may  
17 award a grant under this Act for a demonstration project  
18 only if such project—

19 (1) involves not less than one local educational  
20 agency that—

21 (A) receives funds under section 1124A of  
22 the Elementary and Secondary Education Act  
23 of 1965; and

24 (B) is among the 20 percent of local edu-  
25 cational agencies in the State receiving funds

1 under such section that serves the highest num-  
2 ber of children described in section 1124(c) of  
3 such Act; and

4 (2) includes the involvement of a sufficient  
5 number of public and private choice schools, in the  
6 judgment of the Secretary, to allow for a valid dem-  
7 onstration project.

8 (b) PRIORITY.—In awarding a grant under this Act,  
9 the Secretary shall give priority to demonstration  
10 projects—

11 (1) in which choice schools offer an enrollment  
12 opportunity to the broadest range of eligible chil-  
13 dren;

14 (2) that involve diverse types of choice schools;  
15 and

16 (3) that will contribute to the equitable geo-  
17 graphic diversity of demonstration projects assisted  
18 under this Act, including States and areas that are  
19 primarily rural and States and areas that are pri-  
20 marily urban.

21 **SEC. 7. APPLICATIONS.**

22 (a) IN GENERAL.—An eligible entity that wishes to  
23 receive a grant under this Act shall submit an application  
24 to the Secretary at such time and in such manner as the  
25 Secretary may prescribe.

1 (b) CONTENTS.—Each such application shall con-  
2 tain—

3 (1) information demonstrating the eligibility for  
4 participation in the demonstration program of the  
5 eligible entity;

6 (2) with respect to choice schools—

7 (A) a description of the standards used by  
8 the eligible entity to determine which public and  
9 private schools are within a reasonable commut-  
10 ing distance of eligible children and present a  
11 reasonable commuting cost for such eligible  
12 children;

13 (B) a description of the types of potential  
14 choice schools that will be involved in the dem-  
15 onstration project;

16 (C)(i) a description of the procedures used  
17 to encourage public and private schools to be  
18 involved in the demonstration project;

19 (ii) a description of how the eligible entity  
20 will annually determine the number of spaces  
21 available for eligible children in each choice  
22 school; and

23 (iii) a description of how the eligibility en-  
24 tity will select applicants;



1           (D) an assurance that each choice school  
2 will not impose different standards for admis-  
3 sion or participation in its programs and activi-  
4 ties for eligible children who receive an edu-  
5 cation scholarships under this Act than the  
6 standards such school uses for other students  
7 attending such school;

8           (E) an assurance that each choice school  
9 operated, for not less than 1 year prior to ac-  
10 cepting education scholarships under this Act,  
11 an educational program similar to the edu-  
12 cational program proposed for education schol-  
13 arships;

14           (F) an assurance that each choice school  
15 participating in the demonstration program  
16 under this Act shall not discriminate on the  
17 basis of race, color, or national origin;

18           (G) an assurance that the eligible entity  
19 will terminate the involvement of any choice  
20 school that fails to comply with the require-  
21 ments of this Act; and

22           (H) a description of the extent to which  
23 choice schools will accept education scholarships  
24 under this Act as full or partial payment for  
25 tuition and fees;

1           (3) with respect to the participation of eligible  
2 children in the demonstration project—

3           (A) a description of the procedures to be  
4 used to make a determination of eligibility for  
5 participation in the demonstration project for  
6 an eligible child, including—

7           (i) the procedures used to determine  
8 eligibility for free or reduced price lunches  
9 under the National School Lunch Act; or

10          (ii) any other procedure, subject to  
11 the Secretary's approval, that accurately  
12 establishes the eligibility for such partici-  
13 pation for an eligible child;

14          (B) a description of the procedures to be  
15 used to ensure that, in selecting eligible chil-  
16 dren to participate in the demonstration  
17 project, the eligible entity will—

18          (i) apply the same criteria to eligible  
19 children from both public and private  
20 school; and

21          (ii) give priority to eligible children  
22 from the lowest income families;

23          (C) a description of the procedures to be  
24 used to ensure maximum choice of schools for

1 participating eligible children, including proce-  
2 dures to be used when—

3 (i) the number of parents who desire  
4 to receive an education scholarship to en-  
5 roll their eligible children in a particular  
6 choice school exceeds the number of eligi-  
7 ble children that the choice school will ac-  
8 cept; and

9 (ii) grant funds and funds from local  
10 sources are insufficient to support the total  
11 cost of choices made by parents with edu-  
12 cation scholarships; and

13 (D) a description of the procedures to be  
14 used to ensure any eligible child under this Act  
15 who would be eligible to receive services under  
16 part A of title I of the Elementary and Second-  
17 ary Education Act of 1965 who attends a  
18 choice school receives such services, including—

19 (i) the direct provision of services by  
20 a local educational agency; or

21 (ii) arrangements made by a local  
22 educational agency with other service pro-  
23 viders;

24 (4) with respect to the operation of the dem-  
25 onstration project—

1 (A) a description of the geographic area to  
2 be served;

3 (B) a timetable for carrying out the dem-  
4 onstration project;

5 (C) a description of the procedures to be  
6 used for the issuance and redemption of edu-  
7 cation scholarships under this Act;

8 (D) a description of the procedures by  
9 which a choice school will make a refund of the  
10 portion of the education certificate under this  
11 Act for any participating eligible child who  
12 withdraws from the school for any reason, be-  
13 fore completing 75 percent of the school attend-  
14 ance period, or any other reasonable agreement  
15 between parents and a choice school, for which  
16 the education certificate was issued;

17 (E) a description of the procedures to be  
18 used to provide the parental notification de-  
19 scribed in section 10;

20 (F) an assurance that the eligible entity  
21 will place all funds received under this Act into  
22 a separate account;

23 (G) an assurance that the eligible entity  
24 will provide the Secretary periodic reports on  
25 the status of such funds;

1 (H) an assurance that the eligible entity  
 2 will cooperate with the Comptroller General of  
 3 the United States and the evaluating agency in  
 4 carrying out the evaluations described in section  
 5 11; and

6 (I) an assurance that the eligible entity  
 7 will—

8 (i) maintain such records as the Sec-  
 9 retary may require; and

10 (ii) comply with reasonable requests  
 11 from the Secretary for information; and

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

14 **SEC. 8. EDUCATION SCHOLARSHIPS.**

15 (a) EDUCATION SCHOLARSHIPS.—

16 (1) AMOUNT.—The amount of an education  
 17 scholarship under this Act shall be determined by  
 18 the eligible entity, but shall be an amount that pro-  
 19 vides to the recipient of each education scholarship  
 20 the maximum degree of choice in selecting the choice  
 21 school an eligible child may attend.

22 (2) CONSIDERATIONS.—

23 (A) IN GENERAL.—Subject to such regula-  
 24 tions as the Secretary shall prescribe, in deter-  
 25 mining the amount of an education scholarship

1 under this Act, an eligible entity shall con-  
2 sider—

3 (i) the additional reasonable costs of  
4 transportation directly attributable to the  
5 eligible child's participation in the dem-  
6 onstration project; and

7 (ii) the cost of complying with section  
8 9(a)(1).

9 (B) SCHOOLS CHARGING TUITION.—If an  
10 eligible child participating in a demonstration  
11 project under this Act attended a public or pri-  
12 vate school that charged tuition for the year  
13 preceding the first year of such participation,  
14 the eligible entity shall consider—

15 (i) the tuition charged by such school  
16 for such eligible child in such preceding  
17 year; and

18 (ii) the amount of the education schol-  
19 arships under this Act that are provided to  
20 other eligible children.

21 (3) SPECIAL RULE.—An eligible entity may pro-  
22 vide an education scholarship under this Act to the  
23 parent of an eligible child who chooses to attend a  
24 school that does not charge tuition or fees, to pay  
25 the additional reasonable costs of transportation di-

1 rectly attributable to the eligible child's participation  
2 in the demonstration project or the cost of comply-  
3 ing with section 9(a)(1)

4 (b) ADJUSTMENT.—The amount of the education  
5 scholarship for a fiscal year may be adjusted in the second  
6 and third years of an eligible child's participation in a  
7 demonstration project under this Act to reflect any in-  
8 crease or decrease in the tuition, fees, or transportation  
9 costs directly attributable to that eligible child's continued  
10 attendance at a choice school, but shall not be increased  
11 for this purpose by more than 10 percent of the amount  
12 of the education scholarship for the fiscal year preceding  
13 the fiscal year for which the determination is made. The  
14 amount of the education scholarship may also be adjusted  
15 in any fiscal year to comply with section 9(a)(1).

16 (c) MAXIMUM AMOUNT.—Notwithstanding any other  
17 provision of this section, the amount of an eligible child's  
18 education scholarship shall not exceed the per pupil ex-  
19 penditure for elementary or secondary education, as the  
20 case may be, by the local educational agency in which the  
21 public school to which the eligible child would normally  
22 be assigned is located for the fiscal year preceding the fis-  
23 cal year for which the determination is made.

24 (d) INCOME.—An education scholarship under this  
25 Act, and funds provided through an education scholarship,

1 shall not be treated as income of the parents for purposes  
2 of Federal tax laws or for determining eligibility for any  
3 other Federal program.

4 **SEC. 9. EFFECT ON OTHER PROGRAMS; USE OF SCHOOL**  
5 **LUNCH DATA.**

6 (a) EFFECT ON OTHER PROGRAMS.—

7 (1) IN GENERAL.—

8 (A) TITLE I SERVICES.—An eligible child  
9 participating in a demonstration project under  
10 this Act, who, in the absence of such a dem-  
11 onstration project, would have received services  
12 under part A of title I of the Elementary and  
13 Secondary Education Act of 1965 shall be pro-  
14 vided such services.

15 (B) EXCEPTION.—Nothing in this Act  
16 shall require a choice school to set up an edu-  
17 cation program as defined under part A of title  
18 I of such Act.

19 (2) PART B OF THE INDIVIDUALS WITH DIS-  
20 ABILITIES EDUCATION ACT.—Nothing in this Act  
21 shall be construed to affect the requirements of part  
22 B of the Individuals with Disabilities Education Act,  
23 except that a choice school that accepts eligible chil-  
24 dren under this Act is not required to provide serv-  
25 ices under part B of such Act if such program was



1 not in force on the day before the date of the enact-  
2 ment of this Act.

3 (b) COUNTING OF ELIGIBLE CHILDREN.—Notwith-  
4 standing any other provision of law, any local educational  
5 agency participating in a demonstration project under this  
6 Act may count eligible children who, in the absence of such  
7 a demonstration project, would attend the schools of such  
8 agency, for purposes of receiving funds under any program  
9 administered by the Secretary.

10 (c) SPECIAL RULE.—Notwithstanding section 9 of  
11 the National School Lunch Act, an eligible entity receiving  
12 a grant under this Act may use information collected for  
13 the purpose of determining eligibility for free or reduced  
14 price lunches to determine an eligible child's eligibility to  
15 participate in a demonstration project under this Act and,  
16 if needed, to rank families by income, in accordance with  
17 section 7(b)(3)(B)(ii). All such information shall otherwise  
18 remain confidential, and information pertaining to income  
19 may be disclosed, as determined by the eligible entity, only  
20 to persons who need that information for the purposes of  
21 a demonstration project under this Act.

22 (d) CONSTRUCTION.—

23 (1) STATE LAW.—Nothing in this Act shall be  
24 construed to supersede or modify any provision of a  
25 State constitution or State law that prohibits the ex-

1       penditure of public funds in or by religious or other  
2       private institutions, except that no provision of a  
3       State constitution or State law shall be construed or  
4       applied to prohibit any grantee from a program  
5       under this Act or to prohibit the expenditure in or  
6       by religious or other private institutions of any Fed-  
7       eral funds provided under this Act.

8               (2) DESEGREGATION.—Nothing in this Act  
9       shall be construed to displace rights or remedies  
10      through enforcement of civil rights guarantees.

11 **SEC. 10. PARENTAL NOTIFICATION.**

12      Each eligible entity receiving a grant under this Act  
13      shall provide timely notice of the demonstration project  
14      to parents of eligible children residing in the area to be  
15      served by the demonstration project. At a minimum, such  
16      notice shall—

17               (1) describe the demonstration project;

18               (2) describe the eligibility requirements for par-  
19      ticipation in the demonstration project;

20               (3) describe the information needed to make a  
21      determination of eligibility for participation in the  
22      demonstration project for an eligible child;

23               (4) describe the selection procedures to be used  
24      if the number of eligible children seeking to partici-  
25      pate in the demonstration project exceeds the num-

1       ber that can be accommodated in the demonstration  
2       project;

3           (5) provide information about each choice  
4       school, including information about any admission  
5       requirements or criteria for each choice school par-  
6       ticipating in the demonstration project; and

7           (6) include the schedule for parents to apply for  
8       their eligible child to participate in a demonstration  
9       project.

10 **SEC. 11. EVALUATION.**

11       (a) ANNUAL EVALUATION.—

12           (1) CONTRACT.—The Comptroller General of  
13       the United States, not later than 3 months after the  
14       date of the enactment of this Act, shall enter into  
15       a contract with an evaluating agency that has dem-  
16       onstrated experience in conducting evaluations, for  
17       the conduct of an ongoing rigorous evaluation of the  
18       demonstration program under this Act.

19           (2) ANNUAL EVALUATION REQUIREMENT.—The  
20       contract described in paragraph (1) shall require the  
21       evaluating agency entering into such contract to  
22       evaluate annually each demonstration project under  
23       this Act in accordance with the evaluation criteria  
24       described in subsection (b) to transmit to the Comp-  
25       troller General of the United States—

1 (A) the findings of each annual evaluation  
2 under paragraph (1);

3 (B) a copy of each report received pursu-  
4 ant to section 12(a) for the applicable year; and

5 (C) a copy of the final concluding report to  
6 Congress no later than 5 years after enactment.

7 (b) EVALUATION CRITERIA.—The Comptroller Gen-  
8 eral of the United States, in consultation with the Sec-  
9 retary, shall establish minimum criteria for evaluating the  
10 demonstration program under this Act. Such criteria shall  
11 provide for—

12 (1) a description of the implementation of each  
13 demonstration project under this Act and the dem-  
14 onstration project's effects on all participants,  
15 schools, and communities in the demonstration  
16 project area, with particular attention given to the  
17 effect of parent participation in the life of the school  
18 and the level of parental satisfaction with the dem-  
19 onstration program; and

20 (2) a comparison of the educational achieve-  
21 ment of all students in the demonstration project  
22 area, including a comparison of—

23 (A) students receiving education scholar-  
24 ships under this Act; and

1 (B) students not receiving education schol-  
2 arships under this Act.

3 **SEC. 12. REPORTS.**

4 (a) REPORT BY GRANT RECIPIENT.—Each eligible  
5 entity receiving a grant under this Act shall submit to the  
6 evaluating agency an annual report regarding the dem-  
7 onstration project under this Act. Each such report shall  
8 be submitted at such time, in such manner, and accom-  
9 panied by such information, as such evaluating agency  
10 may require.

11 (b) REPORTS BY COMPTROLLER GENERAL.—

12 (1) ANNUAL REPORTS.—The Comptroller Gen-  
13 eral of the United States shall report annually to the  
14 Congress on the findings of the annual evaluation  
15 under section 11(a)(2) of each demonstration project  
16 under this Act. Each such report shall contain a  
17 copy of—

18 (A) the annual evaluation under section  
19 11(a)(2) of each demonstration project under  
20 this Act; and

21 (B) each report received under subsection  
22 (a) for the applicable year.

23 (2) FINAL REPORT.—The Comptroller General  
24 shall submit a final report to the Congress within 9  
25 months after the conclusion of the demonstration

1        program under this Act that summarizes the find-  
2        ings of the annual evaluations conducted pursuant to  
3        section 11(a)(2).

○