

106TH CONGRESS
1ST SESSION

H. R. 2300

IN THE SENATE OF THE UNITED STATES

OCTOBER 25, 1999

Received; read twice and referred to the Committee on Health, Education,
Labor, and Pensions

AN ACT

To allow a State to combine certain funds to improve the
academic achievement of all its students.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Academic Achievement
3 for All Act (Straight A’s Act)”.

4 **SEC. 2. PURPOSE.**

5 The purpose of this Act is to create options for States
6 and communities—

7 (1) to improve the academic achievement of all
8 students, and to focus the resources of the Federal
9 Government upon such achievement;

10 (2) to improve teacher quality and subject mat-
11 ter mastery, especially in math, reading, and science;

12 (3) to empower parents and schools to effec-
13 tively address the needs of their children and stu-
14 dents;

15 (4) to give States and communities maximum
16 freedom in determining how to boost academic
17 achievement and implement education reforms;

18 (5) to eliminate Federal barriers to imple-
19 menting effective State and local education pro-
20 grams;

21 (6) to hold States and communities accountable
22 for boosting the academic achievement of all stu-
23 dents, especially disadvantaged children; and

24 (7) to narrow achievement gaps between the
25 lowest and highest performing groups of students so
26 that no child is left behind.

1 **SEC. 3. PERFORMANCE AGREEMENT.**

2 (a) PROGRAM AUTHORIZED.—Not more than 10
3 States may, at their option, execute a performance agree-
4 ment with the Secretary under which the provisions of law
5 described in section 4(a) shall not apply to such State ex-
6 cept as otherwise provided in this Act.

7 (b) LOCAL INPUT.—States shall provide parents,
8 teachers, and local schools and districts notice and oppor-
9 tunity to comment on any proposed performance agree-
10 ment prior to submission to the Secretary as provided
11 under general State law notice and comment provisions.

12 (c) APPROVAL OF PERFORMANCE AGREEMENT.—A
13 performance agreement submitted to the Secretary under
14 this section shall be considered as approved by the Sec-
15 retary within 60 days after receipt of the performance
16 agreement unless the Secretary provides a written deter-
17 mination to the State that the performance agreement
18 fails to satisfy the requirements of this Act before the ex-
19 piration of the 60-day period.

20 (d) TERMS OF PERFORMANCE AGREEMENT.—Each
21 performance agreement executed pursuant to this Act
22 shall include the following provisions:

23 (1) TERM.—A statement that the term of the
24 performance agreement shall be 5 years.

25 (2) APPLICATION OF PROGRAM REQUIRE-
26 MENTS.—A statement that no program requirements

1 of any program included by the State in the per-
2 formance agreement shall apply, except as otherwise
3 provided in this Act.

4 (3) LIST.—A list provided by the State of the
5 programs that it wishes to include in the perform-
6 ance agreement.

7 (4) USE OF FUNDS TO IMPROVE STUDENT
8 ACHIEVEMENT.—A 5-year plan describing how the
9 State intends to combine and use the funds from
10 programs included in the performance agreement to
11 advance the education priorities of the State, im-
12 prove student achievement, and narrow achievement
13 gaps between students.

14 (5) ACCOUNTABILITY REQUIREMENTS.—If a
15 State includes any part of title I of the Elementary
16 and Secondary Education Act of 1965 in its per-
17 formance agreement, the State shall include a cer-
18 tification that the State has done the following:

19 (A)(i) developed and implemented the chal-
20 lenging State content standards, challenging
21 State student performance standards, and
22 aligned assessments described in section
23 1111(b) of the Elementary and Secondary Edu-
24 cation Act of 1965; or

1 (ii) developed and implemented a system to
2 measure the degree of change from one school
3 year to the next in student performance;

4 (B) developed and is implementing a state-
5 wide accountability system that has been or is
6 reasonably expected to be effective in substan-
7 tially increasing the numbers and percentages
8 of all students who meet the State's proficient
9 and advanced levels of performance;

10 (C) established a system under which as-
11 sessment information may be disaggregated
12 within each State, local educational agency, and
13 school by each major racial and ethnic group,
14 gender, English proficiency status, migrant sta-
15 tus, and by economically disadvantaged stu-
16 dents as compared to students who are not eco-
17 nomically disadvantaged (except that such
18 disaggregation shall not be required in cases in
19 which the number of students in any such
20 group is insufficient to yield statistically reliable
21 information or would reveal the identity of an
22 individual student);

23 (D) established specific, measurable, nu-
24 merical performance objectives for student
25 achievement, including a definition of perform-

1 ance considered to be proficient by the State on
2 the academic assessment instruments described
3 under subparagraph (A);

4 (E) developed and implemented a statewide
5 system for holding its local educational agencies
6 and schools accountable for student perform-
7 ance that includes—

8 (i) a procedure for identifying local
9 educational agencies and schools in need of
10 improvement, using the assessments de-
11 scribed under subparagraph (A);

12 (ii) assisting and building capacity in
13 local educational agencies and schools iden-
14 tified as in need of improvement to im-
15 prove teaching and learning; and

16 (iii) implementing corrective actions
17 after no more than 3 years if the assist-
18 ance and capacity building under clause
19 (ii) is not effective.

20 (6) PERFORMANCE GOALS.—

21 (A) STUDENT ACADEMIC ACHIEVEMENT.—

22 Each State shall establish annual student per-
23 formance goals for the 5-year term of the per-
24 formance agreement that, at a minimum—

1 (i) establish a single high standard of
2 performance for all students;

3 (ii) take into account the progress of
4 students from every local educational agen-
5 cy and school in the State;

6 (iii) are based primarily on the State's
7 challenging content and student perform-
8 ance standards and assessments described
9 under paragraph (5)(A);

10 (iv) include specific annual improve-
11 ment goals in each subject and grade in-
12 cluded in the State assessment system,
13 which must include, at a minimum, read-
14 ing or language arts and math;

15 (v) compares the proportions of stu-
16 dents at the "basic", "proficient", and
17 "advanced" levels of performance (as de-
18 fined by the State) with the proportions of
19 students at each of the three levels in the
20 same grade in the previous school year;

21 (vi) includes annual numerical goals
22 for improving the performance of each
23 group specified in paragraph (5)(C) and
24 narrowing gaps in performance between

1 the highest and lowest performing students
2 in accordance with section 10(b); and

3 (vii) requires all students in the State
4 to make substantial gains in achievement.

5 (B) ADDITIONAL INDICATORS OF PER-
6 FORMANCE.—A State may identify in the per-
7 formance agreement any additional indicators
8 of performance such as graduation, dropout, or
9 attendance rates.

10 (C) CONSISTENCY OF PERFORMANCE
11 MEASURES.—A State shall maintain, at a min-
12 imum, the same level of challenging State stu-
13 dent performance standards and assessments
14 throughout the term of the performance agree-
15 ment.

16 (7) FISCAL RESPONSIBILITIES.—An assurance
17 that the State will use fiscal control and fund ac-
18 counting procedures that will ensure proper dis-
19 bursement of, and accounting for, Federal funds
20 paid to the State under this Act.

21 (8) CIVIL RIGHTS.—An assurance that the
22 State will meet the requirements of applicable Fed-
23 eral civil rights laws.

24 (9) PRIVATE SCHOOL PARTICIPATION.—

1 (A) EQUITABLE PARTICIPATION.—An as-
2 surance that the State will provide for the equi-
3 table participation of students and professional
4 staff in private schools.

5 (B) APPLICATION OF BYPASS.—An assur-
6 ance that sections 14504, 14505, and 14506 of
7 the Elementary and Secondary Education Act
8 of 1965 (20 U.S.C. 8894, 8895, and 8896)
9 shall apply to all services and assistance pro-
10 vided under this Act in the same manner as
11 they apply to services and assistance provided
12 in accordance with section 14503 of such Act.

13 (10) STATE FINANCIAL PARTICIPATION.—An
14 assurance that the State will not reduce the level of
15 spending of State funds for elementary and sec-
16 ondary education during the term of the perform-
17 ance agreement.

18 (11) ANNUAL REPORT.—An assurance that not
19 later than 1 year after the execution of the perform-
20 ance agreement, and annually thereafter, each State
21 shall disseminate widely to parents and the general
22 public, submit to the Secretary, distribute to print
23 and broadcast media, and post on the Internet, a re-
24 port that includes—

1 (A) student academic performance data,
2 disaggregated as provided in paragraph (5)(C);
3 and

4 (B) a detailed description of how the State
5 has used Federal funds to improve student aca-
6 demic performance and reduce achievement
7 gaps to meet the terms of the performance
8 agreement.

9 (e) SPECIAL RULE.—If a State does not include any
10 part of title I of the Elementary and Secondary Education
11 Act of 1965 in its performance agreement, the State
12 shall—

13 (1) certify that it has developed a system to
14 measure the academic performance of all students;
15 and

16 (2) establish challenging academic performance
17 goals for such other programs using academic as-
18 sessment data described in paragraph (5).

19 (f) AMENDMENT TO PERFORMANCE AGREEMENT.—
20 A State may submit an amendment to the performance
21 agreement to the Secretary under the following cir-
22 cumstances:

23 (1) REDUCE SCOPE OF PERFORMANCE AGREE-
24 MENT.—Not later than 1 year after the execution of
25 the performance agreement, a State may amend the

1 performance agreement through a request to with-
2 draw a program from such agreement. If the Sec-
3 retary approves the amendment, the requirements of
4 existing law shall apply for any program withdrawn
5 from the performance agreement.

6 (2) EXPAND SCOPE OF PERFORMANCE AGREE-
7 MENT.—Not later than 1 year after the execution of
8 the performance agreement, a State may amend its
9 performance agreement to include additional pro-
10 grams and performance indicators for which it will
11 be held accountable.

12 (3) APPROVAL OF AMENDMENT.—An amend-
13 ment submitted to the Secretary under this sub-
14 section shall be considered as approved by the Sec-
15 retary within 60 days after receipt of the amend-
16 ment unless the Secretary provides a written deter-
17 mination to the State that the performance agree-
18 ment if amended by the amendment would fail to
19 satisfy the requirements of this Act, before the expi-
20 ration of the 60-day period.

21 **SEC. 4. ELIGIBLE PROGRAMS.**

22 (a) ELIGIBLE PROGRAMS.—The provisions of law re-
23 ferred to in section 3(a) except as otherwise provided in
24 subsection (b), are as follows:

1 (1) Part A of title I of the Elementary and Sec-
2 ondary Education Act of 1965.

3 (2) Part B of title I of the Elementary and Sec-
4 ondary Education Act of 1965.

5 (3) Part C of title I of the Elementary and Sec-
6 ondary Education Act of 1965.

7 (4) Part D of title I of the Elementary and Sec-
8 ondary Education Act of 1965.

9 (5) Part B of title II of the Elementary and
10 Secondary Education Act of 1965.

11 (6) Section 3132 of title III of the Elementary
12 and Secondary Education Act of 1965.

13 (7) Title IV of the Elementary and Secondary
14 Education Act of 1965.

15 (8) Title VI of the Elementary and Secondary
16 Education Act of 1965.

17 (9) Section 307 of the Department of Edu-
18 cation Appropriation Act of 1999.

19 (10) Comprehensive school reform programs as
20 authorized under section 1502 of the Elementary
21 and Secondary Education Act of 1965 and described
22 on pages 96–99 of the Joint Explanatory Statement
23 of the Committee of Conference included in House
24 Report 105–390 (Conference Report on the Depart-
25 ments of Labor, Health and Human Services, and

1 Education, and Related Agencies Appropriations
2 Act, 1998).

3 (11) Part C of title VII of the Elementary and
4 Secondary Education Act of 1965.

5 (12) Title III of the Goals 2000: Educate
6 America Act.

7 (13) Sections 115 and 116, and parts B and C
8 of title I of the Carl D. Perkins Vocational Technical
9 Education Act.

10 (14) Subtitle B of title VII of the Stewart B.
11 McKinney Homeless Assistance Act.

12 (b) ALLOCATIONS TO STATES.—A State may choose
13 to consolidate funds from any or all of the programs de-
14 scribed in subsection (a) without regard to the program
15 requirements of the provisions referred to in such sub-
16 section, except that the proportion of funds made available
17 for national programs and allocations to each State for
18 State and local use, under such provisions, shall remain
19 in effect unless otherwise provided.

20 (c) USES OF FUNDS.—Funds made available under
21 this Act to a State shall be used for any elementary and
22 secondary educational purposes permitted by State law of
23 the participating State.

1 **SEC. 5. WITHIN-STATE DISTRIBUTION OF FUNDS.**

2 (a) IN GENERAL.—The distribution of funds from
3 programs included in a performance agreement from a
4 State to a local educational agency within the State shall
5 be determined by the Governor of the State and the State
6 legislature. In a State in which the constitution or State
7 law designates another individual, entity, or agency to be
8 responsible for education, the allocation of funds from pro-
9 grams included in the performance agreement from a
10 State to a local educational agency within the State shall
11 be determined by that individual, entity, or agency, in con-
12 sultation with the Governor and State Legislature. Noth-
13 ing in this section shall be construed to supersede or mod-
14 ify any provision of a State constitution or State law.

15 (b) LOCAL INPUT.—States shall provide parents,
16 teachers, and local schools and districts notice and oppor-
17 tunity to comment on the proposed allocation of funds as
18 provided under general State law notice and comment pro-
19 visions.

20 (c) LOCAL HOLD HARMLESS OF PART A TITLE 1
21 FUNDS.—

22 (1) IN GENERAL.—In the case of a State that
23 includes part A of title I of the Elementary and Sec-
24 ondary Education Act of 1965 in the performance
25 agreement, the agreement shall provide an assurance
26 that each local educational agency shall receive

1 under the performance agreement an amount equal
2 to or greater than the amount such agency received
3 under part A of title I of such Act in the fiscal year
4 preceding the fiscal year in which the performance
5 agreement is executed.

6 (2) PROPORTIONATE REDUCTION.—If the
7 amount made available to the State from the Sec-
8 retary for a fiscal year is insufficient to pay to each
9 local educational agency the amount made available
10 under part A of title I of the Elementary and Sec-
11 ondary Education Act of 1965 to such agency for
12 the preceding fiscal year, the State shall reduce the
13 amount each local educational agency receives by a
14 uniform percentage.

15 **SEC. 6. LOCAL PARTICIPATION.**

16 (a) NONPARTICIPATING STATE.—

17 (1) IN GENERAL.—If a State chooses not to
18 submit a performance agreement under this Act, any
19 local educational agency in such State is eligible, at
20 its option, to submit to the Secretary a performance
21 agreement in accordance with this section.

22 (2) AGREEMENT.—The terms of a performance
23 agreement between an eligible local educational
24 agency and the Secretary shall specify the programs
25 to be included in the performance agreement, as

1 agreed upon by the State and the agency, from the
2 list under section 4(a).

3 (b) STATE APPROVAL.—When submitting a perform-
4 ance agreement to the Secretary, an eligible local edu-
5 cational agency described in subsection (a) shall provide
6 written documentation from the State in which such agen-
7 cy is located that it has no objection to the agency’s pro-
8 posal for a performance agreement.

9 (c) APPLICATION.—

10 (1) IN GENERAL.—Except as provided in this
11 section, and to the extent applicable, the require-
12 ments of this Act shall apply to an eligible local edu-
13 cational agency that submits a performance agree-
14 ment in the same manner as the requirements apply
15 to a State.

16 (2) EXCEPTIONS.—The following provisions
17 shall not apply to an eligible local educational agen-
18 cy:

19 (A) WITHIN STATE DISTRIBUTION FOR-
20 MULA NOT APPLICABLE.—The formula for the
21 allocation of funds under section 5 shall not
22 apply.

23 (B) STATE SET ASIDE SHALL NOT
24 APPLY.—The State set aside for administrative
25 funds in section 7 shall not apply.

1 **SEC. 7. LIMITATIONS ON STATE AND LOCAL EDUCATIONAL**
2 **AGENCY ADMINISTRATIVE EXPENDITURES.**

3 (a) IN GENERAL.—Except as otherwise provided
4 under subsection (b), a State that includes part A of title
5 I of the Elementary and Secondary Education Act of 1965
6 in the performance agreement may use not more than 1
7 percent of such total amount of funds allocated to such
8 State under the programs included in the performance
9 agreement for administrative purposes.

10 (b) EXCEPTION.—A State that does not include part
11 A of title I of the Elementary and Secondary Education
12 Act of 1965 in the performance agreement may use not
13 more than 3 percent of the total amount of funds allocated
14 to such State under the programs included in the perform-
15 ance agreement for administrative purposes.

16 (c) LOCAL EDUCATIONAL AGENCY.—A local edu-
17 cational agency participating in this Act under a perform-
18 ance agreement under section 6 may not use for adminis-
19 trative purposes more than 4 percent of the total amount
20 of funds allocated to such agency under the programs in-
21 cluded in the performance agreement.

22 **SEC. 8. PERFORMANCE REVIEW.**

23 (a) MID-TERM PERFORMANCE REVIEW.—If, during
24 the 5-year term of the performance agreement, student
25 achievement significantly declines for three consecutive
26 years in the academic performance categories established

1 in the performance agreement, the Secretary may, after
2 notice and opportunity for a hearing, terminate the agree-
3 ment

4 (b) FAILURE TO MEET TERMS.—If at the end of the
5 5-year term of the performance agreement a State has not
6 substantially met the performance goals submitted in the
7 performance agreement, the Secretary shall, after notice
8 and an opportunity for a hearing, terminate the perform-
9 ance agreement and the State shall be required to comply
10 with the program requirements, in effect at the time of
11 termination, for each program included in the perform-
12 ance agreement.

13 (c) PENALTY FOR FAILURE TO IMPROVE STUDENT
14 PERFORMANCE.—If a State has made no progress toward
15 achieving its performance goals by the end of the term
16 of the agreement, the Secretary may reduce funds for
17 State administrative costs for each program included in
18 the performance agreement by up to 50 percent for each
19 year of the 2-year period following the end of the term
20 of the performance agreement.

21 **SEC. 9. RENEWAL OF PERFORMANCE AGREEMENT.**

22 (a) NOTIFICATION.—A State that wishes to renew its
23 performance agreement shall notify the Secretary of its
24 renewal request not less than 6 months prior to the end
25 of the term of the performance agreement.

1 (b) RENEWAL REQUIREMENTS.—A State that has
2 met or has substantially met its performance goals sub-
3 mitted in the performance agreement at the end of the
4 5-year term may reapply to the Secretary to renew its per-
5 formance agreement for an additional 5-year period. Upon
6 the completion of the 5-year term of the performance
7 agreement or as soon thereafter as the State submits data
8 required under the agreement, the Secretary shall renew,
9 for an additional 5-year term, the performance agreement
10 of any State that has met or has substantially met its per-
11 formance goals.

12 **SEC. 10. ACHIEVEMENT GAP REDUCTION REWARDS.**

13 (a) CLOSING THE GAP REWARD FUND.—

14 (1) IN GENERAL.—To reward States that make
15 significant progress in eliminating achievement gaps
16 by raising the achievement levels of the lowest per-
17 forming students, the Secretary shall set aside suffi-
18 cient funds from the Fund for the Improvement of
19 Education under part A of title X of the Elementary
20 and Secondary Education Act of 1965 to grant a re-
21 ward to States that meet the conditions set forth in
22 subsection (b) by the end of their 5-year perform-
23 ance agreement.

24 (2) REWARD AMOUNT.—The amount of the re-
25 ward referred to in paragraph (1) shall be not less

1 than 5 percent of funds allocated to the State during
2 the first year of the performance agreement for pro-
3 grams included in the agreement.

4 (b) CONDITIONS OF PERFORMANCE REWARD.—Sub-
5 ject to paragraph (3), a State is eligible to receive a re-
6 ward under this section as follows:

7 (1) A State is eligible for such an award if the
8 State reduces by not less than 25 percent, over the
9 5-year term of the performance agreement, the dif-
10 ference between the percentage of highest and lowest
11 performing groups of students that meet the State’s
12 definition of “proficient” as referenced in section
13 1111(b)(1)(D)(i)(II) of the Elementary and Sec-
14 ondary Education Act of 1965.

15 (2) A State is eligible for such an award if a
16 State increases the proportion of two or more groups
17 of students under section 3(d)(5)(C) that meet State
18 proficiency standards by 25 percent.

19 (3) A State shall receive such an award if the
20 following requirements are met:

21 (A) CONTENT AREAS.—The reduction in
22 the achievement gap or improvement in achieve-
23 ment shall include not less than two content
24 areas, one of which shall be mathematics or
25 reading.

1 (B) GRADES TESTED.—The reduction in
2 the achievement gap or improvement in achieve-
3 ment shall occur in at least two grade levels.

4 (c) RULE OF CONSTRUCTION.—Student achievement
5 gaps shall not be considered to have been reduced in cir-
6 cumstances where the average academic performance of
7 the highest performing quintile of students has decreased.

8 **SEC. 11. STRAIGHT A'S PERFORMANCE REPORT.**

9 The Secretary shall make the annual State reports
10 described in section 3 available to the House Committee
11 on Education and the Workforce and the Senate Com-
12 mittee on Health, Education, Labor and Pensions not
13 later than 60 days after the Secretary receives the report.

14 **SEC. 12. APPLICABILITY OF TITLE XIV OF THE ELEMEN-**
15 **TARY AND SECONDARY EDUCATION ACT OF**
16 **1965.**

17 To the extent that provisions of title XIV of the Ele-
18 mentary and Secondary Education Act of 1965 are incon-
19 sistent with this Act, this Act shall be construed as super-
20 seding such provisions.

21 **SEC. 13. APPLICABILITY OF GENERAL EDUCATION PROVI-**
22 **SIONS ACT.**

23 To the extent that the provisions of the General Edu-
24 cation Provisions Act are inconsistent with this Act, this
25 Act shall be construed as superseding such provisions, ex-

1 cept where relating to civil rights, withholding of funds
2 and enforcement authority, and family educational and
3 privacy rights.

4 **SEC. 14. APPLICABILITY TO HOME SCHOOLS.**

5 Nothing in this Act shall be construed to affect home
6 schools whether or not a home school is treated as a pri-
7 vate school or home school under State law.

8 **SEC. 15. GENERAL PROVISIONS REGARDING NON-RECIPI-**
9 **ENT, NON-PUBLIC SCHOOLS.**

10 Nothing in this Act shall be construed to permit,
11 allow, encourage, or authorize any Federal control over
12 any aspect of any private, religious, or home school,
13 whether or not a home school is treated as a private school
14 or home school under State law.

15 **SEC. 16. DEFINITIONS.**

16 For the purpose of this Act:

17 (1) ALL STUDENTS.—The term “all students”
18 means all students attending public schools or char-
19 ter schools that are participating in the State’s ac-
20 countability and assessment system.

21 (2) ALL SCHOOLS.—The term “all schools”
22 means all schools that are participating in the
23 State’s accountability and assessment system.

24 (3) LOCAL EDUCATIONAL AGENCY.—The term
25 “local educational agency” has the same meaning

1 given such term in section 14101 of the Elementary
2 and Secondary Education Act of 1965 (20 U.S.C.
3 8801).

4 (4) SECRETARY.—The term “Secretary” means
5 the Secretary of Education.

6 (5) STATE.—The term “State” means each of
7 the 50 States, the District of Columbia, the Com-
8 monwealth of Puerto Rico, Guam, the United States
9 Virgin Islands, the Commonwealth of the Northern
10 Mariana Islands, and American Samoa.

11 **SEC. 17. EFFECTIVE DATE.**

12 This Act shall take effect with respect to funds appro-
13 priated for the fiscal year beginning October 1, 2000.

 Passed the House of Representatives October 21,
1999.

Attest:

JEFF TRANDAHL,
Clerk.