

107TH CONGRESS
1ST SESSION

S. 158

To improve schools.

IN THE SENATE OF THE UNITED STATES

JANUARY 23, 2001

Mr. BINGAMAN (for himself and Mr. LUGAR) introduced the following bill;
which was read twice and referred to the Committee on Health, Edu-
cation, Labor, and Pensions

A BILL

To improve schools.

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 “School Improvement
5 Accountability Act”.

6 **TITLE I—HELPING**
7 **DISADVANTAGED CHILDREN**

8 **SEC. 101. RESERVATIONS FOR ACCOUNTABILITY.**

9 Section 1003 of the Elementary and Secondary Edu-
10 cation Act of 1965 (20 U.S.C. 6303) is amended to read
11 as follows:

1 **“SEC. 1003. RESERVATION FOR ACCOUNTABILITY AND**
2 **SCHOOL IMPROVEMENT.**

3 “(a) STATE RESERVATION.—

4 “(1) IN GENERAL.—Each State educational
5 agency shall reserve 3 percent of the amount the
6 agency receives under part A for each of fiscal years
7 2002 and 2003, and 5 percent of that amount for
8 each of fiscal years 2004 through 2006, to carry out
9 paragraph (2) and to carry out its responsibilities
10 under sections 1116 and 1117, including carrying
11 out its statewide system of technical assistance and
12 providing support for local educational agencies.

13 “(2) LOCAL EDUCATIONAL AGENCIES.—Of the
14 amount reserved under paragraph (1) for any fiscal
15 year, the State educational agency shall allocate at
16 least 80 percent directly to local educational agen-
17 cies. In making allocations under this paragraph, the
18 State educational agency shall give first priority to
19 agencies, and agencies serving schools, identified for
20 corrective action or improvement under section
21 1116(c).

22 “(3) USE OF FUNDS.—Each local educational
23 agency receiving an allotment under paragraph (2)
24 shall use the allotment to—

25 “(A) carry out corrective action, as defined
26 in section 1116(c)(5)(A), in those schools; or

1 “(B) achieve substantial improvement in
2 the performance of those schools.

3 “(b) NATIONAL ACTIVITIES.—From the total amount
4 appropriated for any fiscal year to carry out this title, the
5 Secretary may reserve not more than 0.30 percent to con-
6 duct evaluations and studies and to collect data.

7 **SEC. 102. IMPROVED ACCOUNTABILITY.**

8 (a) STATE PLANS.—Section 1111(b) of the Elemen-
9 tary and Secondary Education Act of 1965 (20 U.S.C.
10 6311(b)) is amended—

11 (1) in the subsection heading, by striking “AND
12 ASSESSMENTS” and inserting “, ASSESSMENTS, AND
13 ACCOUNTABILITY”;

14 (2) by amending paragraph (2) to read as fol-
15 lows:

16 “(2) ADEQUATE YEARLY PROGRESS.—(A) Each
17 State plan shall specify what constitutes adequate
18 yearly progress in student achievement, under the
19 State’s accountability system described in paragraph
20 (4), for each school and each local educational agen-
21 cy receiving funds under this part, and for the State.

22 “(B) The specification of adequate yearly
23 progress in the State plan for schools—

24 “(i) shall be based primarily on the stand-
25 ards described in paragraph (1) and the valid

1 and reliable assessments aligned to State stand-
2 ards described in paragraph (3);

3 “(ii) shall include specific numerical ade-
4 quate yearly progress requirements in each sub-
5 ject and grade included in the State assess-
6 ments at least for each of the assessments re-
7 quired under paragraph (3) and shall base the
8 numerical goal required for each group of stu-
9 dents specified in clause (iv) upon a timeline
10 that ensures all students meet or exceed the
11 proficient level of performance on the assess-
12 ments required by this section within 10 years
13 after the effective date of the School Improve-
14 ment Accountability Act;

15 “(iii) shall include other academic indica-
16 tors, such as school completion or dropout
17 rates, with the data for all such academic indi-
18 cators disaggregated as required by clause (iv),
19 but the inclusion of such indicators shall not
20 decrease the number of schools or local edu-
21 cational agencies that would be subject to iden-
22 tification for improvement or corrective action if
23 the indicators were not included;

24 “(iv) shall compare separately data for the
25 State as a whole, for each local educational

agency, and for each school, regarding the performance and progress of students, disaggregated by each major ethnic and racial group, by English proficiency status, and by economically disadvantaged students as compared with students who are not economically disadvantaged (except that such disaggregation shall not be required in a case in which the number of students in a category would be insufficient to yield statistically reliable information or the results would reveal individually identifiable information about individual students); and

“(v) shall compare the proportion of students at the basic, proficient, and advanced levels of performance in a grade for a year with the proportion of students at each of the 3 levels in the same grade in the previous year.

“(C)(i) Adequate yearly progress for a local educational agency shall be based upon both—

“(I) the number or percentage of schools identified for school improvement or corrective action; and

“(II) the progress of the local educational agency in reducing the number or length of

1 time schools are identified for school improve-
2 ment or corrective action.

3 “(ii) The State plan shall provide that each
4 local educational agency shall ensure that, not later
5 than the end of the fourth academic year after the
6 effective date of the School Improvement Account-
7 ability Act, the percentage of schools making ade-
8 quate yearly progress among schools whose con-
9 centrations of poor children are greater than the av-
10 erage concentration of such children served by the
11 local educational agency shall not be less than the
12 percentage of schools making adequate yearly
13 progress among schools whose concentrations of poor
14 children are less than the average concentration of
15 such children served by the local educational agency.

16 “(D)(i) Adequate yearly progress for a State
17 shall be based upon both—

18 “(I) the number or percentage of local edu-
19 cational agencies identified for improvement or
20 corrective action; and

21 “(II) the progress of the State in reducing
22 the number or length of time local educational
23 agencies are identified for improvement or cor-
24 rective action.

1 “(ii) The State plan shall provide that the State
 2 shall ensure that, not later than the end of the
 3 fourth academic year after the effective date of the
 4 School Improvement Accountability Act, the percent-
 5 age of local educational agencies making adequate
 6 yearly progress among local educational agencies
 7 whose concentrations of poor children are greater
 8 than the State average of such concentrations shall
 9 not be less than the percentage of local educational
 10 agencies making adequate yearly progress among
 11 local educational agencies whose concentrations of
 12 poor children are less than the State average.”;

13 (3) in paragraph (3)—

14 (A) in the matter preceding subparagraph

15 (A)—

16 (i) by striking “developed or adopted”
 17 and inserting “in place”; and

18 (ii) by inserting “, not later than the
 19 school year 2000–2001,” after “will be
 20 used”;

21 (B) by redesignating subparagraphs (G),
 22 (H), and (I) as subparagraphs (H), (I), and
 23 (J);

24 (C) in subparagraph (F)—

1 (i) in clause (ii), by striking “and”
 2 after the semicolon; and

3 (ii) by adding at the end the fol-
 4 lowing:

5 “(iv) the use of assessments written in
 6 Spanish for the assessment of Spanish-
 7 speaking students with limited English
 8 proficiency, if Spanish-language assess-
 9 ments are more likely than English lan-
 10 guage assessments to yield accurate and
 11 reliable information regarding what those
 12 students know and can do in content areas
 13 other than English; and

14 “(v) notwithstanding clauses (iii) and
 15 (iv), the assessment (using tests written in
 16 English) of reading or language arts of
 17 any student who has attended school in the
 18 United States (not including Puerto Rico)
 19 for 3 or more consecutive years, for pur-
 20 poses of school accountability;”;

21 (D) by inserting after subparagraph (F)
 22 the following:

23 “(G) result in a report from each local
 24 educational agency that indicates the number
 25 and percentage of students excluded from each

assessment at each school, including, where statistically sound, data disaggregated in accordance with subparagraph (J), except that a local educational agency shall be prohibited from providing such information if providing the information would reveal the identity of any individual student.”; and

(E) by amending subparagraph (I) (as so redesignated) to read as follows:

“(I) provide individual student interpretive and descriptive reports, which shall include scores and other information on the attainment of student performance standards that reflect the quality of daily instruction and learning such as measures of student coursework over time, student attendance rates, student dropout rates, and rates of student participation in advanced level courses; and“;

(4) by striking paragraph (7);

(5) by redesignating paragraphs (4), (5), (6), and (8) as paragraphs (8), (9), (10), and (11), respectively;

(6) by inserting after paragraph (3) the following:

1 “(4) ACCOUNTABILITY.—(A) Each State plan
2 shall demonstrate that the State has developed and
3 is implementing a statewide accountability system
4 that is or will be effective in substantially increasing
5 the numbers and percentages of all students, includ-
6 ing the lowest performing students, economically dis-
7 advantaged students, and students with limited pro-
8 ficiency in English, who meet the State’s proficient
9 and advanced levels of performance within 10 years
10 after the date of enactment of the School Improve-
11 ment Accountability Act. The State accountability
12 system shall—

13 “(i) be the same accountability system the
14 State uses for all schools or all local educational
15 agencies in the State, if the State has an ac-
16 countability system for all schools or all local
17 educational agencies in the State;

18 “(ii) hold local educational agencies and
19 schools accountable for student achievement in
20 at least reading and mathematics and in any
21 other subject that the State may choose; and

22 “(iii) identify schools and local educational
23 agencies for improvement or corrective action
24 based upon failure to make adequate yearly

1 progress as defined in the State plan pursuant
2 to paragraph (2).

3 “(B) The accountability system described in
4 subparagraph (A) and described in the State plan
5 shall also include a procedure for identifying for im-
6 provement a school or local educational agency, in-
7 tervening in that school or agency, and (if that
8 intervention is not effective) implementing a correc-
9 tive action not later than 3 years after first identi-
10 fying such agency or school, that—

11 “(i) complies with sections 1116 and 1117,
12 including the provision of technical assistance,
13 professional development, and other capacity-
14 building as needed, to ensure that schools and
15 local educational agencies so identified have the
16 resources, skills, and knowledge needed to carry
17 out their obligations under sections 1114 and
18 1115 and to meet the requirements for ade-
19 quate yearly progress described in paragraph
20 (2); and

21 “(ii) includes rigorous criteria for identi-
22 fying those agencies and schools based upon
23 failure to make adequate yearly progress in stu-
24 dent achievement in accordance with paragraph
25 (2).

1 “(5) PUBLIC NOTICE AND COMMENT.—Each
2 State plan shall contain assurances that—

3 “(A) in developing the State plan provi-
4 sions relating to adequate yearly progress, the
5 State diligently sought public comment from a
6 range of institutions and individuals in the
7 State with an interest in improved student
8 achievement; and

9 “(B) the State will continue to make a
10 substantial effort to ensure that information re-
11 garding this part is widely known and under-
12 stood by citizens, parents, teachers, and school
13 administrators throughout the State, and is
14 provided in a widely read or distributed me-
15 dium.

16 “(6) ANNUAL REVIEW.—The State plan shall
17 provide an assurance that the State will annually
18 submit to the Secretary information, as part of the
19 State’s consolidated plan under section 14302, on
20 the extent to which schools and local educational
21 agencies are making adequate yearly progress, in-
22 cluding the number and names of schools and local
23 educational agencies identified for improvement and
24 corrective action under section 1116, the steps taken
25 to address the performance problems of such schools

1 and local educational agencies, and the number and
2 names of schools that are no longer so identified, for
3 purposes of determining State and local compliance
4 with section 1116.

5 “(7) PENALTIES.—(A) The State plan shall
6 provide that, if the State fails to meet the deadlines
7 described in paragraphs (1)(C) and (10) for dem-
8 onstrating that the State has in place high-quality
9 State content and student performance standards
10 and aligned assessments, or if the State fails to es-
11 tablish a system for measuring and monitoring ade-
12 quate yearly progress, for a fiscal year, including
13 having the ability to disaggregate student achieve-
14 ment data for the assessments as required under
15 this section at the State, local educational agency,
16 and school levels, then the State shall be ineligible
17 to reserve a greater amount of administrative funds
18 under section 1003 for the succeeding fiscal year
19 than the State reserved for such purposes for the
20 fiscal year preceding the fiscal year in which the fail-
21 ure occurred.

22 “(B)(i) The State plan shall provide that, ex-
23 cept as described in clause (ii), if the State fails to
24 meet the deadlines described in paragraphs (1)(C)
25 and (10) for a fiscal year, then the Secretary may

1 withhold funds made available under this part for
 2 administrative expenses for the succeeding fiscal
 3 year in such amount as the Secretary determines ap-
 4 propriate.

5 “(ii) The State plan shall provide that, if the
 6 State fails to meet the deadlines described in para-
 7 graphs (1)(C) and (10) for the succeeding fiscal year
 8 or a subsequent fiscal year, the Secretary shall with-
 9 hold not less than $\frac{1}{5}$ of the funds made available
 10 under this part for administrative expenses for the
 11 fiscal year.

12 “(C) The State plan shall provide that, if the
 13 State has not developed challenging State assess-
 14 ments that are aligned to challenging State content
 15 standards in at least mathematics and reading or
 16 language arts by school year 2000–2001, the State
 17 shall not be eligible for designation as an Ed-Flex
 18 Partnership State under the Education Flexibility
 19 Partnership Act of 1999 until the State develops
 20 such assessments, and the State shall be subject to
 21 such other penalties as are provided in this Act for
 22 failure to develop the assessments.”; and

23 (7) by adding at the end the following:

24 “(12) SCHOOL REPORTS.—The State plan shall
 25 provide that individual school reports publicized and

1 disseminated under section 1116(a)(2) shall include
 2 information on the total number of students ex-
 3 cluded from each assessment at each school, includ-
 4 ing, where statistically sound, data disaggregated in
 5 accordance with paragraph (3)(J), and shall include
 6 information on why such students were excluded
 7 from the assessment. In issuing this report, a local
 8 educational agency may not provide any information
 9 that would violate the privacy or reveal the identity
 10 of any individual student.”.

11 (b) ASSURANCES.—Section 1112(c)(1) of the Ele-
 12 mentary and Secondary Education Act of 1965 (20 U.S.C.
 13 6312(c)(1)) is amended—

14 (1) in subparagraph (G), by striking “; and”
 15 and inserting a semicolon;

16 (2) in subparagraph (H), by striking the period
 17 and inserting “; and”; and

18 (3) by adding at the end the following:

19 “(I) ensure, through incentives for vol-
 20 untary transfers, the provision of professional
 21 development, and recruitment programs, that
 22 low-income students and minority students are
 23 not taught at higher rates than other students
 24 by unqualified, out-of-field, or inexperienced
 25 teachers.”.

1 (c) ASSESSMENT AND IMPROVEMENT.—Section 1116
 2 of the Elementary and Secondary Education Act of 1965
 3 (20 U.S.C. 6317) is amended—

4 (1) by amending subsection (a) to read as fol-
 5 lows:

6 “(a) STATE AND LOCAL REVIEW.—

7 “(1) IN GENERAL.—Each local educational
 8 agency receiving funds under this part shall use the
 9 State assessments and other academic indicators de-
 10 scribed in the State plan or in a State-approved local
 11 educational agency plan to review annually the
 12 progress of each school served under this part by the
 13 agency to determine whether the school is making
 14 the adequate yearly progress specified in section
 15 1111(b)(2) toward enabling all students to meet the
 16 State’s student performance standards described in
 17 the State plan.

18 “(2) PUBLICATION AND DISSEMINATION; RE-
 19 SULTS.—Each local educational agency receiving
 20 funds under this part shall—

21 “(A) publicize and disseminate in indi-
 22 vidual school reports that include statistically
 23 sound results disaggregated in the same man-
 24 ner as results are disaggregated under section
 25 1111(b)(3)(J), to teachers and other staff, par-

ents, students, and the community, the results of the annual review under paragraph (1) and (if not already included in the review), graduation rates, attendance rates, retention rates, and rates of participation in advanced level courses, for all schools served under this part; and

“(B) provide the results of the annual review to schools served by the agency under this part so that the schools can continually refine their programs of instruction to help all students served under this part in those schools to meet the State’s student performance standards.”;

(2) in subsection (c)—

(A) by amending paragraph (1) to read as follows:

“(1) IN GENERAL.—(A) A local educational agency shall identify for school improvement any school served under this part that—

“(i) for 2 consecutive years failed to make adequate yearly progress as defined in the State’s plan under section 1111, except that in the case of a school participating in a targeted assistance program under section 1115, a local

1 educational agency may review the progress of
 2 only those students in such school who are
 3 served under this part; or

4 “(ii) was identified for school improvement
 5 under this section on the day preceding the
 6 date of enactment of the School Improvement
 7 Accountability Act.

8 “(B) The 2-year period described in subpara-
 9 graph (A)(i) shall include any continuous period of
 10 time immediately preceding the date of the enact-
 11 ment of such Act, during which a school did not
 12 make adequate yearly progress as defined in the
 13 State’s plan, as such plan was in effect on the day
 14 preceding the date of enactment.”;

15 (B) by amending paragraph (2) to read as
 16 follows:

17 “(2) REQUIREMENTS.—(A)(i) Each school iden-
 18 tified under paragraph (1)(A) shall promptly notify
 19 a parent of each student enrolled in the school that
 20 the school was identified for improvement by the
 21 local educational agency and provide with the
 22 notification—

23 “(I) the reasons for such identification;
 24 and

1 “(II) information about opportunities for
2 parents to participate in the school improve-
3 ment process.

4 “(ii) The notification under this subparagraph
5 shall be in a format and, to the extent practicable,
6 in a language, that the parents can understand.

7 “(B)(i) Before identifying a school for school
8 improvement under paragraph (1)(A), the local edu-
9 cational agency shall inform the school that the
10 agency proposes to identify the school for school im-
11 provement and provide the school with an oppor-
12 tunity to review the school-level data, including as-
13 sessment data, upon which the proposed determina-
14 tion regarding identification is based.

15 “(ii) If the school believes that the proposed
16 identification is in error for statistical or other sub-
17 stantive reasons, the school may provide supporting
18 evidence to the local educational agency during the
19 review period, and the agency shall consider such
20 evidence before making a final determination regard-
21 ing identification.

22 “(iii) The review period under this subpara-
23 graph shall not exceed 30 days. At the end of the
24 period, the agency shall make public a final deter-
25 mination regarding identification of the school.

1 “(C) Each school identified under paragraph
2 (1)(A) shall, within 3 months after being so identi-
3 fied, and in consultation with parents, the local edu-
4 cational agency, and the school support team or
5 other outside experts, develop or revise a school plan
6 that—

7 “(i) addresses the fundamental teaching
8 and learning needs in the school;

9 “(ii) describes the specific achievement
10 problems to be solved;

11 “(iii) includes the strategies, supported by
12 valid and reliable evidence of effectiveness, with
13 specific goals and objectives, that have the
14 greatest likelihood of improving the perform-
15 ance of participating students in meeting the
16 State’s student performance standards;

17 “(iv) explains how those strategies will
18 work to address the achievement problems iden-
19 tified under clause (ii), including providing a
20 summary of evaluation-based evidence of stu-
21 dent achievement after implementation of those
22 strategies in other schools;

23 “(v) addresses the need for high-quality
24 staff by ensuring that all new teachers in the

1 school in programs supported with funds pro-
 2 vided under this part are fully qualified;

3 “(vi) addresses the professional develop-
 4 ment needs of the instructional staff of the
 5 school by describing a plan for spending a min-
 6 imum of 10 percent of the funds received by the
 7 school under this part on professional develop-
 8 ment that—

9 “(I) does not supplant professional
 10 development services that the instructional
 11 staff would otherwise receive; and

12 “(II) is designed to increase the con-
 13 tent knowledge of teachers, build teachers’
 14 capacity to align classroom instruction
 15 with challenging content standards, and
 16 bring all students in the school to pro-
 17 ficient or advanced levels of performance;

18 “(vii) identifies specific goals and objec-
 19 tives the school will undertake for making ade-
 20 quate yearly progress, including specific numer-
 21 ical performance goals and targets that are
 22 high enough to ensure that all groups of stu-
 23 dents specified in section 1111(b)(2)(B)(iv)
 24 meet or exceed the proficient levels of perform-
 25 ance in each subject area within 10 years after

1 the date of enactment of the School Improve-
 2 ment Accountability Act; and

3 “(viii) specifies the responsibilities of the
 4 school and the local educational agency, includ-
 5 ing how the local educational agency will hold
 6 the school accountable for, and assist the school
 7 in, meeting the school’s obligations to provide
 8 enriched and accelerated curricula, effective in-
 9 structional methods, highly qualified profes-
 10 sional development, and timely and effective in-
 11 dividual assistance, in partnership with parents.

12 “(D)(i) The school shall submit the plan (in-
 13 cluding a revised plan) to the local educational agen-
 14 cy for approval.

15 “(ii) The local educational agency shall prompt-
 16 ly subject the plan to a peer review process, work
 17 with the school to revise the plan as necessary, and
 18 approve the plan.

19 “(iii) The school shall implement the plan as
 20 soon as the plan is approved.”;

21 (C) by amending paragraph (4) to read as
 22 follows:

23 “(4) TECHNICAL ASSISTANCE.—(A) For each
 24 school identified for school improvement under para-
 25 graph (1)(A), the local educational agency shall pro-

1 vide technical assistance as the school develops and
2 implements the school’s plan.

3 “(B) Such technical assistance—

4 “(i) shall include information on effective
5 methods and instructional strategies that are
6 supported by valid and reliable evidence of ef-
7 fectiveness;

8 “(ii) shall be designed to strengthen the
9 core academic program for the students served
10 under this part, address specific elements of
11 student performance problems, and address
12 problems, if any, in implementing the parental
13 involvement requirements in section 1118, im-
14 plementing the professional development provi-
15 sions in section 1119, and carrying out the re-
16 sponsibilities of the school and local educational
17 agency under the plan; and

18 “(iii) may be provided directly by the local
19 educational agency, through mechanisms au-
20 thorized under section 1117, or (with the local
21 educational agency’s approval) by an institution
22 of higher education whose teacher preparation
23 program is not identified as low performing by
24 its State and that is in full compliance with the
25 requirements of section 207 of the Higher Edu-

1 cation Act of 1965, a private nonprofit organi-
 2 zation, an educational service agency, a com-
 3 prehensive regional assistance center under part
 4 A of title XIII, or other entities with experience
 5 in helping schools improve achievement.

6 “(C) Technical assistance provided under this
 7 section by the local educational agency or an entity
 8 approved by such agency shall be supported by valid
 9 and reliable evidence of effectiveness.”;

10 (D) by amending paragraph (5) to read as

11 follows:

12 “(5) CORRECTIVE ACTION.—In order to help
 13 students served under this part meet challenging
 14 State standards, each local educational agency shall
 15 implement a system of corrective action in accord-
 16 ance with the following:

17 “(A) In this paragraph, the term ‘correc-
 18 tive action’ means action, consistent with State
 19 and local law, that—

20 “(i) substantially and directly re-
 21 sponds to the consistent academic failure
 22 that caused the local educational agency to
 23 take such action and to any underlying
 24 staffing, curricular, or other problems in
 25 the school involved; and

1 “(ii) is designed to substantially in-
2 crease the likelihood that students will per-
3 form at the proficient and advanced per-
4 formance levels.

5 “(B) After providing technical assistance
6 under paragraph (4), the local educational
7 agency—

8 “(i) may take corrective action at any
9 time with respect to a school that has been
10 identified under paragraph (1)(A);

11 “(ii) shall take corrective action with
12 respect to any school that fails to make
13 adequate yearly progress, as defined by the
14 State, for 2 consecutive years following the
15 school’s identification under paragraph
16 (1)(A), at the end of the second year; and

17 “(iii) shall continue to provide tech-
18 nical assistance while instituting any cor-
19 rective action under clause (i) or (ii).

20 “(C) In the case of a school described in
21 subparagraph (B)(ii), the local educational
22 agency—

23 “(i) shall take corrective action that
24 changes the school’s administration or gov-
25 ernance by—

1 “(I) instituting and fully imple-
2 menting a new curriculum, including
3 providing appropriate professional de-
4 velopment for all relevant staff, that
5 is supported by valid and reliable evi-
6 dence of effectiveness and offers sub-
7 stantial promise of improving edu-
8 cational achievement for low-per-
9 forming students;

10 “(II) restructuring the school,
11 such as by creating schools within
12 schools or other small learning envi-
13 ronments, or making alternative gov-
14 ernance arrangements (such as the
15 creation of a public charter school);

16 “(III) redesigning the school by
17 reconstituting all or part of the school
18 staff;

19 “(IV) eliminating the use of
20 noncredentialed teachers; or

21 “(V) closing the school;

22 “(ii) shall provide professional devel-
23 opment for all relevant staff, that is sup-
24 ported by valid and reliable evidence of ef-
25 fectiveness and that offers substantial

1 promise of improving student educational
2 achievement and is directly related to the
3 content area in which each teacher is pro-
4 viding instruction and the State’s content
5 and performance standards in that content
6 area; and

7 “(iii) may defer, reduce, or withhold
8 funds provided to carry out this title.

9 “(D)(i) When a local educational agency
10 has identified a school for corrective action
11 under subparagraph (B)(ii), the agency shall
12 provide all students enrolled in the school with
13 the option to transfer to another public school
14 that is within the area served by the local edu-
15 cational agency that has not been identified for
16 school improvement and provide such students
17 with transportation (or the costs of transpor-
18 tation) to such school, subject to the following
19 requirements:

20 “(I) Such transfer must be consistent
21 with State or local law.

22 “(II) If the local educational agency
23 cannot accommodate the request of every
24 student from the identified school, the
25 agency shall permit as many students as

possible to transfer, with such students being selected at random on a nondiscriminatory and equitable basis.

“(III) The local educational agency may use not more than 10 percent of the funds the local educational agency receives through the State reservation under section 1003(a)(2) to provide transportation to students whose parents choose to transfer the students to a different school under this subparagraph.

“(ii) If all public schools served by the local educational agency are identified for corrective action, the agency shall, to the extent practicable, establish a cooperative agreement with another local educational agency in the area to enable students served by the agency to transfer to a school served by that other agency.

“(E) A local educational agency may delay, for a period not to exceed 1 year, implementation of corrective action if the failure to make adequate yearly progress was justified due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and

1 unforeseen decline in the financial resources of
2 the local educational agency or school.

3 “(F) The local educational agency shall
4 publish and disseminate to parents and the
5 public in a format and, to the extent prac-
6 ticable, in a language the parents and the pub-
7 lic can understand, through such means as the
8 Internet, the media, and public agencies, infor-
9 mation on any corrective action the agency
10 takes under this paragraph.

11 “(G)(i) Before taking corrective action
12 with respect to any school under this para-
13 graph, the local educational agency shall inform
14 the school that the agency proposes to take cor-
15 rective action and provide the school with an
16 opportunity to review the school-level data, in-
17 cluding assessment data, upon which the pro-
18 posed determination regarding corrective action
19 is based.

20 “(ii) If the school believes that the pro-
21 posed determination is in error for statistical or
22 other substantive reasons, the school may pro-
23 vide supporting evidence to the local educational
24 agency during the review period, and the agen-

1 cy shall consider such evidence before making a
2 final determination regarding corrective action.

3 “(iii) The review period under this sub-
4 paragraph shall not exceed 45 days. At the end
5 of the period, the local educational agency shall
6 make public a final determination regarding
7 corrective action for the school.”;

8 (E) by amending paragraph (6) to read as
9 follows:

10 “(6) STATE EDUCATIONAL AGENCY RESPON-
11 SIBILITIES.—If a State educational agency deter-
12 mines that a local educational agency failed to carry
13 out its responsibilities under this section, the State
14 educational agency shall take such action as the
15 agency finds necessary, consistent with this section,
16 to improve the affected schools and to ensure that
17 the local educational agency carries out its respon-
18 sibilities under this section.”; and

19 (F) by amending paragraph (7) to read as
20 follows:

21 “(7) WAIVERS.—The State educational agency
22 shall review any waivers that have previously been
23 approved for a school identified for improvement or
24 corrective action, and shall terminate any waiver ap-
25 proved by the State, under the Educational Flexi-

1 bility Partnership Act of 1999, if the State deter-
 2 mines, after notice and an opportunity for a hearing,
 3 that the waiver is not helping such school make ade-
 4 quate yearly progress toward meeting the goals, ob-
 5 jectives, and performance targets in the school’s im-
 6 provement plan.”; and

7 (3) by amending subsection (d) to read as fol-
 8 lows:

9 “(d) STATE REVIEW AND LOCAL EDUCATIONAL
 10 AGENCY IMPROVEMENT.—

11 “(1) IN GENERAL.—A State educational agency
 12 shall annually review the progress of each local edu-
 13 cational agency receiving funds under this part to
 14 determine whether schools receiving assistance under
 15 this part are making adequate yearly progress as de-
 16 fined in section 1111(b)(2) toward meeting the
 17 State’s student performance standards.

18 “(2) IDENTIFICATION OF LOCAL EDUCATIONAL
 19 AGENCY FOR IMPROVEMENT.—A State educational
 20 agency shall identify for improvement any local edu-
 21 cational agency that—

22 “(A) for 2 consecutive years failed to make
 23 adequate yearly progress as defined in the
 24 State’s plan under section 1111(b)(2); or

1 “(B) was identified for improvement under
2 this section as this section was in effect on the
3 day preceding the date of enactment of the
4 School Improvement Accountability Act.

5 “(3) TRANSITION.—The 2-year period described
6 in paragraph (2)(A) shall include any continuous pe-
7 riod of time immediately preceding the date of en-
8 actment of such Act, during which a local edu-
9 cational agency did not make adequate yearly
10 progress as defined in the State’s plan, as such plan
11 was in effect on the day preceding the date of enact-
12 ment.

13 “(4) TARGETED ASSISTANCE SCHOOLS.—For
14 purposes of reviewing the progress of targeted as-
15 sistance schools served by a local educational agency,
16 a State educational agency may choose to review the
17 progress of only the students in such schools who
18 are served under this part.

19 “(5) OPPORTUNITY TO REVIEW AND PRESENT
20 EVIDENCE.—(A) Before identifying a local edu-
21 cational agency for improvement under paragraph
22 (2), a State educational agency shall inform the local
23 educational agency that the State educational agency
24 proposes to identify the local educational agency for
25 improvement and provide the local educational agen-

1 cy with an opportunity to review the local edu-
 2 cational agency data, including assessment data,
 3 upon which the proposed determination regarding
 4 identification is based.

5 “(B) If the local educational agency believes
 6 that the proposed identification is in error for statis-
 7 tical or other substantive reasons, the agency may
 8 provide supporting evidence to the State educational
 9 agency during the review period, and the agency
 10 shall consider such evidence before making a final
 11 determination regarding identification.

12 “(C) The review period under this paragraph
 13 shall not exceed 30 days. At the end of the period,
 14 the State shall make public a final determination re-
 15 garding identification of the local educational agen-
 16 cy.

17 “(6) NOTIFICATION TO PARENTS.—(A) The
 18 local educational agency shall promptly notify a par-
 19 ent of each student enrolled in a school served by a
 20 local educational agency identified for improvement
 21 that the agency was identified for improvement and
 22 provide with the notification—

23 (i) the reasons for the agency’s identi-
 24 fication; and

1 (ii) information about opportunities
 2 for parents to participate in upgrading the
 3 quality of the local educational agency.

4 “(B) The notification under this paragraph
 5 shall be in a format and, to the extent practicable,
 6 in a language, that the parents can understand.

7 “(7) LOCAL EDUCATIONAL AGENCY REVI-
 8 SIONS.—(A) Each local educational agency identified
 9 under paragraph (2) shall, not later than 3 months
 10 after being so identified, develop or revise a local
 11 educational agency plan and annual academic
 12 achievement goals, in consultation with parents,
 13 school staff, and others.

14 “(B) ACHIEVEMENT GOALS.—The annual aca-
 15 demic achievement goals shall be sufficiently high to
 16 ensure that all students within the jurisdiction in-
 17 volved, including the lowest performing students,
 18 economically disadvantaged students, students of dif-
 19 ferent races and ethnicities, and students with lim-
 20 ited English proficiency will meet or exceed the pro-
 21 ficient level of performance on the assessments re-
 22 quired by section 1111 within 10 years after the
 23 date of enactment of the School Improvement Ac-
 24 countability Act.

25 “(C) The plan shall—

1 “(i) address the fundamental teaching and
2 learning needs in the schools served by that
3 agency, and the specific academic problems of
4 low-performing students, including stating a de-
5 termination of why the local educational agen-
6 cy’s prior plan, if any, failed to bring about in-
7 creased achievement;

8 “(ii) incorporate strategies that are sup-
9 ported by valid and reliable evidence of effec-
10 tiveness and that strengthen the core academic
11 program in the local educational agency;

12 “(iii) identify specific annual academic
13 achievement goals and objectives that will—

14 “(I) have the greatest likelihood of
15 improving the performance of participating
16 students in meeting the State’s student
17 performance standards; and

18 “(II) include specific numerical per-
19 formance goals and targets for each of the
20 groups of students for which data are
21 disaggregated pursuant to section
22 1111(b)(2)(B)(iv);

23 “(iv) address the professional development
24 needs of the instructional staff of the schools by
25 describing a plan for spending a minimum of

1 10 percent of the funds received by the schools
2 under this part on professional development
3 that—

4 “(I) does not supplant professional
5 development services that the instructional
6 staff would otherwise receive; and

7 “(II) is designed to increase the con-
8 tent knowledge of teachers, build teachers’
9 capacity to align classroom instruction
10 with challenging content standards, and
11 bring all students in the schools to pro-
12 ficient or advanced levels of performance;

13 “(v) identify measures the local edu-
14 cational agency will undertake to make ade-
15 quate yearly progress;

16 “(vi) identify how, pursuant to paragraph
17 (6), the local educational agency will provide
18 written notification to parents in a format and,
19 to the extent practicable, in a language the par-
20 ents can understand;

21 “(vii) specify the responsibilities of the
22 State educational agency and the local edu-
23 cational agency under the plan; and

24 “(viii) include strategies to promote effec-
25 tive parental involvement in the schools.

1 “(D) The local educational agency shall submit
2 the plan (including a revised plan) to the State edu-
3 cational agency for approval. The State educational
4 agency shall, within 60 days after submission of the
5 plan, subject the plan to a peer review process, work
6 with the local educational agency to revise the plan
7 as necessary, and approve the plan.

8 “(E) The local educational agency shall imple-
9 ment the plan (including a revised plan) as soon as
10 the plan is approved.

11 “(8) STATE EDUCATIONAL AGENCY RESPONSIBI-
12 LITY.—(A) For each local educational agency
13 identified under paragraph (2), the State edu-
14 cational agency (or an entity authorized by the agen-
15 cy) shall provide technical or other assistance, if re-
16 quested, as authorized under section 1117, to better
17 enable the local educational agency—

18 “(i) to develop and implement the local
19 educational agency plan as approved by the
20 State educational agency consistent with the re-
21 quirements of this section; and

22 “(ii) to work with schools identified for im-
23 provement.

24 “(B) Technical assistance provided under this
25 section by the State educational agency or an entity

1 authorized by the agency shall be supported by valid
2 and reliable evidence of effectiveness.

3 “(9) CORRECTIVE ACTION.—In order to help
4 students served under this part meet challenging
5 State standards, each State educational agency shall
6 implement a system of corrective action in accord-
7 ance with the following:

8 “(A) In this paragraph, the term ‘correc-
9 tive action’ means action, consistent with State
10 law, that—

11 “(i) substantially and directly re-
12 sponds to the consistent academic failure
13 that caused the State educational agency
14 to take such action and to any underlying
15 staffing, curricular, or other problems in
16 the schools involved; and

17 “(ii) is designed to substantially in-
18 crease the likelihood that students served
19 under this part will perform at the pro-
20 ficient and advanced performance levels.

21 “(B) After providing technical assistance
22 under paragraph (8) and subject to subpara-
23 graph (D), the State educational agency—

24 “(i) may take corrective action at any
25 time with respect to a local educational

1 agency that has been identified under
2 paragraph (2);

3 “(ii) shall take corrective action with
4 respect to any local educational agency
5 that fails to make adequate yearly
6 progress, as defined by the State, for 3
7 consecutive years following the agency’s
8 identification under paragraph (2), at the
9 end of the third year; and

10 “(iii) shall continue to provide tech-
11 nical assistance while instituting any cor-
12 rective action under clause (i) or (ii).

13 “(C) In the case of a local educational
14 agency described in subparagraph (B)(ii), the
15 State educational agency shall take at least 1 of
16 the following corrective actions:

17 “(i) Withholding funds from the local
18 educational agency.

19 “(ii) Reconstituting school district
20 personnel.

21 “(iii) Removing particular schools
22 from the jurisdiction of the local edu-
23 cational agency and establishing alter-
24 native arrangements for public governance
25 and supervision of the schools.

1 “(iv) Appointing, through the State
2 educational agency, a receiver or trustee to
3 administer the affairs of the local edu-
4 cational agency in place of the super-
5 intendent and school board.

6 “(v) Abolishing or restructuring the
7 local educational agency.

8 “(D) When a State educational agency has
9 identified a local educational agency for correc-
10 tive action under subparagraph (B)(ii), the
11 State educational agency shall provide all stu-
12 dents enrolled in a school served by the local
13 educational agency with a plan to transfer to a
14 higher performing public school served by an-
15 other local educational agency and shall provide
16 such students with transportation (or the costs
17 of transportation) to such schools, subject to
18 the following requirements:

19 “(i) The provision of the transfer shall
20 be done in conjunction with at least 1 ad-
21 ditional action described in this paragraph.

22 “(ii) If the State educational agency
23 cannot accommodate the request of every
24 student from the schools served by the
25 agency, the agency shall permit as many

1 students as possible to transfer, with such
2 students being selected at random on a
3 nondiscriminatory and equitable basis.

4 “(iii) The State educational agency
5 may use not more than 10 percent of the
6 funds the agency receives through the
7 State reservation under section 1003(a)(2)
8 to provide transportation to students
9 whose parents choose to transfer their
10 child to a different school under this sub-
11 paragraph.

12 “(E) Prior to implementing any corrective
13 action under this paragraph, the State edu-
14 cational agency shall provide due process and a
15 hearing to the affected local educational agency,
16 if State law provides for such process and hear-
17 ing. The hearing shall take place not later than
18 45 days following the decision to implement the
19 corrective action.

20 “(F) The State educational agency shall
21 publish and disseminate to parents and the
22 public in a format and, to the extent prac-
23 ticable, in a language the parents and the pub-
24 lic can understand, through such means as the
25 Internet, the media, and public agencies, infor-

1 mation on any corrective action the agency
2 takes under this paragraph.

3 “(G) A State educational agency may
4 delay, for a period not to exceed 1 year, imple-
5 mentation of corrective action if the failure to
6 make adequate yearly progress was justified
7 due to exceptional or uncontrollable cir-
8 cumstances such as a natural disaster or a pre-
9 cipitous and unforeseen decline in the financial
10 resources of the local educational agency.

11 “(10) WAIVERS.—The State educational agency
12 shall review any waivers that have previously been
13 approved for a local educational agency identified for
14 improvement or corrective action, and shall termi-
15 nate any waiver approved by the State, under the
16 Educational Flexibility Partnership Act of 1999, if
17 the State determines, after notice and an oppor-
18 tunity for a hearing, that the waiver is not helping
19 such agency make adequate yearly progress toward
20 meeting the goals, objectives, and performance tar-
21 gets in the agency’s improvement plan.”.

22 (d) STATE ASSISTANCE FOR SCHOOL SUPPORT AND
23 IMPROVEMENT.—Section 1117(a) of the Elementary and
24 Secondary Education Act of 1965 (20 U.S.C. 6318(a)) is
25 amended to read as follows:

1 “(a) SYSTEM FOR SUPPORT.—

2 “(1) IN GENERAL.—Each State educational
3 agency shall establish a statewide system of inten-
4 sive and sustained support and improvement for
5 local educational agencies and schools receiving
6 funds under this part, in order to increase the op-
7 portunity for all students served by those agencies
8 and schools to meet the State’s content standards
9 and student performance standards.

10 “(2) PRIORITIES.—In carrying out this section,
11 a State educational agency shall—

12 “(A) provide support and assistance to
13 local educational agencies and schools identified
14 for corrective action under section 1116;

15 “(B) provide support and assistance to
16 other local educational agencies and schools
17 identified for improvement under section 1116;
18 and

19 “(C) provide support and assistance to
20 each school receiving funds under this part in
21 which the number of students in poverty equals
22 or exceeds 75 percent of the total number of
23 students enrolled in such school.

24 “(3) APPROACHES.—In order to achieve the ob-
25 jectives of this subsection, each statewide system

1 shall provide technical assistance and support
 2 through approaches such as—

3 “(A) use of school support teams, com-
 4 posed of individuals who are knowledgeable
 5 about research on and practice of teaching and
 6 learning, particularly about strategies for im-
 7 proving educational results for low-achieving
 8 students;

9 “(B) the designation and use of ‘Distin-
 10 guished Educators’, chosen from schools served
 11 under this part that have been especially suc-
 12 cessful in improving academic achievement;

13 “(C) assisting local educational agencies or
 14 schools to implement research-based com-
 15 prehensive school reform models; and

16 “(D) use of a peer review process designed
 17 to increase the capacity of local educational
 18 agencies and schools to develop high-quality
 19 school improvement plans.

20 “(4) FUNDS.—Each State educational agency—

21 “(A) shall use funds reserved under section
 22 1003(a)(1), but not used under section
 23 1003(a)(2) and funds appropriated under sec-
 24 tion 1002(f) to carry out this section; and

1 “(B) may use State administrative funds
2 authorized for such purpose.

3 “(5) ALTERNATIVES.—The State educational
4 agency may devise additional approaches to pro-
5 viding the assistance described in subparagraphs (A)
6 and (B) of paragraph (3), other than the provision
7 of assistance under the statewide system, such as
8 providing assistance through institutions of higher
9 education, educational service agencies, or other
10 local consortia. The State educational agency may
11 seek approval from the Secretary to use funds made
12 available under section 1003 for such approaches as
13 part of the State plan.”.

14 (e) CONFORMING AMENDMENTS.—The Elementary
15 and Secondary Education Act of 1965 (20 U.S.C. 6301
16 et seq.) is amended—

17 (1) in section 1111(b)(1)(C) (20 U.S.C.
18 6311(b)(1)(C)), by striking “paragraph (6)” and in-
19 serting “paragraph (10)”;

20 (2) in section 1112(c)(1)(D) (20 U.S.C.
21 6312(c)(1)(D)), by striking “section 1116(c)(4)”
22 and inserting “section 1116(c)(5)”;

23 (3) in section 1117(c)(2)(A) (20 U.S.C.
24 6318(c)(2)(A)), by striking “section

1 1111(b)(2)(A)(i)” and inserting “section
2 1111(b)(2)(A)”;

3 (4) in section 1118(c)(4)(B) (20 U.S.C.
4 6319(c)(4)(B)), by striking “school performance
5 profiles required under section 1116(a)(3)” and in-
6 serting “individual school reports required under
7 section 1116(a)(2)(A)”;

8 (5) in section 1118(e)(1) (20 U.S.C.
9 6319(e)(1)), by striking “section 1111(b)(8)” and
10 inserting “section 1111(b)(11)”;

11 (6) in section 1119(h)(3) (20 U.S.C.
12 6320(h)(3)), by striking “section 1116(d)(6)” and
13 inserting “section 1116(d)(9)”.

14 **SEC. 103. COMPREHENSIVE SCHOOL REFORM.**

15 Title I of the Elementary and Secondary Education
16 Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

17 (1) by redesignating part F as part G; and

18 (2) by inserting after part E the following:

19 **“PART F—COMPREHENSIVE SCHOOL REFORM**

20 **“SEC. 1551. PURPOSE.**

21 “The purpose of this part is to provide financial in-
22 centives for schools to develop comprehensive school re-
23 forms based upon promising and effective practices and
24 research-based programs that emphasize basic academics
25 and parental involvement so that all children can meet

1 challenging State content and student performance stand-
 2 ards.

3 **“SEC. 1552. PROGRAM AUTHORIZATION.**

4 “(a) PROGRAM AUTHORIZED.—

5 “(1) IN GENERAL.—The Secretary may award
 6 grants to State educational agencies, from allot-
 7 ments under paragraph (2), to enable the State edu-
 8 cational agencies to award subgrants to local edu-
 9 cational agencies to carry out the purpose described
 10 in section 1551.

11 “(2) ALLOTMENTS.—

12 “(A) RESERVATIONS.—Of the amount ap-
 13 propriated under section 1558 for a fiscal year,
 14 the Secretary may reserve—

15 “(i) not more than 1 percent to pro-
 16 vide assistance to schools supported by the
 17 Bureau of Indian Affairs and in the
 18 United States Virgin Islands, Guam,
 19 American Samoa, and the Commonwealth
 20 of the Northern Mariana Islands according
 21 to their respective needs for assistance
 22 under this part; and

23 “(ii) not more than 1 percent to con-
 24 duct national evaluation activities de-
 25 scribed in section 1557.

1 “(B) IN GENERAL.—Of the amount appro-
 2 priated under section 1558 that remains after
 3 making the reservation under subparagraph (A)
 4 for a fiscal year, the Secretary shall allot to
 5 each State for the fiscal year an amount that
 6 bears the same ratio to the remainder for that
 7 fiscal year as the amount made available under
 8 section 1124 to the State for the preceding fis-
 9 cal year bears to the total amount made avail-
 10 able under section 1124 to all States for the
 11 preceding fiscal year.

12 “(C) REALLOTMENT.—If a State does not
 13 apply for funds under this part, the Secretary
 14 shall realLOT such funds to other States in pro-
 15 portion to the amount allotted to such other
 16 States under subparagraph (B).

17 **“SEC. 1553. STATE APPLICATIONS.**

18 “(a) IN GENERAL.—Each State educational agency
 19 that desires to receive a grant under this part shall submit
 20 an application to the Secretary at such time, in such man-
 21 ner, and containing such information as the Secretary may
 22 reasonably require.

23 “(b) CONTENTS.—Each such application shall
 24 describe—

1 “(1) the process and selection criteria by which
 2 the State educational agency, using expert review,
 3 will select local educational agencies to receive sub-
 4 grants under this part;

5 “(2) how the State educational agency will en-
 6 sure that only comprehensive school reforms that are
 7 based upon promising and effective practices and re-
 8 search-based programs receive funds under this part;

9 “(3) how the State educational agency will dis-
 10 seminate information on comprehensive school re-
 11 forms that are based upon promising and effective
 12 practices and research-based programs;

13 “(4) how the State educational agency will
 14 evaluate the implementation of such reforms and
 15 measure the extent to which the reforms have re-
 16 sulted in increased student academic performance;
 17 and

18 “(5) how the State educational agency will
 19 make available technical assistance to a local edu-
 20 cational agency in evaluating, developing, and imple-
 21 menting comprehensive school reform.

22 **“SEC. 1554. STATE USE OF FUNDS.**

23 “(a) IN GENERAL.—Except as provided in subsection
 24 (e), a State educational agency that receives a grant under
 25 this part shall use the grant funds to award subgrants,

1 on a competitive basis, to local educational agencies (in-
 2 cluding consortia of local educational agencies) in the
 3 State that receive funds under part A.

4 “(b) SUBGRANT REQUIREMENTS.—A subgrant to a
 5 local educational agency shall be—

6 “(1) of sufficient size and scope to support the
 7 initial costs for the particular comprehensive school
 8 reform plan selected or designed by each school iden-
 9 tified in the application of the local educational
 10 agency;

11 “(2) in an amount not less than \$50,000 for
 12 each participating school; and

13 “(3) renewable for 2 additional 1-year periods
 14 after the initial 1-year grant is made, if the partici-
 15 pating school is making substantial progress in the
 16 implementation of reforms.

17 “(c) PRIORITY.—A State educational agency, in
 18 awarding subgrants under this part, shall give priority to
 19 local educational agencies that—

20 “(1) plan to use the funds in schools identified
 21 for improvement or corrective action under section
 22 1116(c); and

23 “(2) demonstrate a commitment to assist
 24 schools with budget allocation, professional develop-
 25 ment, and other strategies necessary to ensure that

1 comprehensive school reforms are properly imple-
2 mented and are sustained in the future.

3 “(d) GRANT CONSIDERATION.—In awarding sub-
4 grants under this part, the State educational agency shall
5 take into consideration the equitable distribution of sub-
6 grants to different geographic regions within the State,
7 including urban and rural areas, and to schools serving
8 elementary school and secondary school students.

9 “(e) ADMINISTRATIVE COSTS.—A State educational
10 agency that receives a grant under this part may reserve
11 not more than 5 percent of the grant funds for administra-
12 tive, evaluation, and technical assistance expenses.

13 “(f) SUPPLEMENT.—Funds made available under
14 this part shall be used to supplement, and not supplant,
15 any other Federal, State, or local funds that would other-
16 wise be available to carry out the activities assisted under
17 this part.

18 “(g) REPORTING.—Each State educational agency
19 that receives a grant under this part shall provide to the
20 Secretary such information as the Secretary may require,
21 including the names of local educational agencies and
22 schools receiving assistance under this part, the amount
23 of the assistance, and a description of the comprehensive
24 school reform model selected and used.

1 **“SEC. 1555. LOCAL APPLICATIONS.**

2 “(a) IN GENERAL.—Each local educational agency
3 desiring a subgrant under this part shall submit an appli-
4 cation to the State educational agency at such time, in
5 such manner, and containing such information as the
6 State educational agency may reasonably require.

7 “(b) CONTENTS.—Each such application shall—

8 “(1) identify the schools, that are eligible for
9 assistance under part A, that plan to implement a
10 comprehensive school reform program and include
11 the projected costs of such program;

12 “(2) describe the promising and effective prac-
13 tices and research-based programs that such schools
14 will implement;

15 “(3) describe how the local educational agency
16 will provide technical assistance and support for the
17 effective implementation of the promising and effec-
18 tive practices and research-based school reforms se-
19 lected by such schools; and

20 “(4) describe how the local educational agency
21 will evaluate the implementation of such reforms and
22 measure the results achieved in improving student
23 academic performance.

24 **“SEC. 1556. LOCAL USE OF FUNDS.**

25 “(a) USE OF FUNDS.—A local educational agency
26 that receives a subgrant under this part shall provide the

1 subgrant funds to schools, that are eligible for assistance
 2 under part A and served by the agency, to enable the
 3 schools to implement a comprehensive school reform pro-
 4 gram for—

5 “(1) employing innovative strategies for student
 6 learning, teaching, and school management that are
 7 based upon promising and effective practices and re-
 8 search-based programs and have been replicated suc-
 9 cessfully in schools with diverse characteristics;

10 “(2) integrating a comprehensive design for ef-
 11 fective school functioning, including instruction, as-
 12 sessment, classroom management, professional devel-
 13 opment, parental involvement, and school manage-
 14 ment, that aligns the school’s curriculum, tech-
 15 nology, and professional development into a com-
 16 prehensive reform plan for schoolwide change de-
 17 signed to enable all students to meet challenging
 18 State content and student performance standards
 19 and addresses needs identified through a school
 20 needs assessment;

21 “(3) providing high quality and continuous
 22 teacher and staff professional development;

23 “(4) including measurable goals for student
 24 performance;

1 “(5) providing support to teachers, principals,
2 administrators, and other school personnel staff;

3 “(6) including meaningful community and pa-
4 rental involvement initiatives that will strengthen
5 school improvement activities;

6 “(7) using high quality external technical sup-
7 port and assistance from an entity that has experi-
8 ence and expertise in schoolwide reform and im-
9 provement, which may include an institution of high-
10 er education;

11 “(8) evaluating school reform implementation
12 and student performance; and

13 “(9) identifying other resources, including Fed-
14 eral, State, local, and private resources, that will be
15 used to coordinate services supporting and sus-
16 taining the school reform effort.

17 “(b) SPECIAL RULE.—A school that receives funds
18 to develop a comprehensive school reform program shall
19 not be limited to using the approaches identified or devel-
20 oped by the Secretary, but may develop the school’s own
21 comprehensive school reform programs for schoolwide
22 change as described in subsection (a).

1 **“SEC. 1557. NATIONAL EVALUATION AND REPORTS.**

2 “(a) IN GENERAL.—The Secretary shall develop a
3 plan for a national evaluation of the programs assisted
4 under this part.

5 “(b) EVALUATION.—The national evaluation shall—

6 “(1) evaluate the implementation and results
7 achieved by schools after 3 years of implementing
8 comprehensive school reforms; and

9 “(2) assess the effectiveness of comprehensive
10 school reforms in schools with diverse characteris-
11 tics.

12 “(c) REPORTS.—Prior to the completion of the na-
13 tional evaluation, the Secretary shall submit an interim
14 report describing implementation activities for the Com-
15 prehensive School Reform Program to the Committee on
16 Education and the Workforce, and the Committee on Ap-
17 propriations, of the House of Representatives, and the
18 Committee on Health, Education, Labor, and Pensions,
19 and the Committee on Appropriations, of the Senate.

20 **“SEC. 1558. AUTHORIZATION OF APPROPRIATIONS.**

21 “There are authorized to be appropriated to carry out
22 this part \$500,000,000 for fiscal year 2002 and such sums
23 as may be necessary for each of the 4 succeeding fiscal
24 years.”.

TITLE II—TEACHERS

SEC. 201. STATE APPLICATIONS.

(a) CONTENTS OF STATE PLAN.—Section 2205(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6645(b)(2)) is amended—

(1) by amending subparagraph (N) to read as follows:

“(N) set specific annual, quantifiable, and measurable performance goals to increase the percentage of teachers participating in sustained professional development activities, reduce the beginning teacher attrition rate, and reduce the percentage of teachers who are not certified or licensed, and the percentage who are out-of-field teachers;”;

(2) by redesignating subparagraph (O) as subparagraph (P); and

(3) by inserting after subparagraph (N) the following:

“(O) describe how the State will ensure that all teachers in the State will be fully qualified not later than December 1, 2005; and”.

(b) STATE AND LOCAL ACTIVITIES.—Part B of title II of the Elementary and Secondary Education Act (20 U.S.C. 6641 et seq.) is amended—

1 (1) by redesignating section 2211 as section
2 2215;

3 (2) by inserting after section 2210 the fol-
4 lowing:

5 **“SEC. 2211. LOCAL CONTINUATION OF FUNDING.**

6 “(a) AGENCIES.—If a local educational agency ap-
7 plies for funds from a State under this part for a fourth
8 or subsequent fiscal year, the agency may not receive the
9 funds for that fiscal year unless the State determines that
10 the agency has demonstrated that, in carrying out activi-
11 ties under this part during the past fiscal year, the agency
12 has annual numerical performance objectives consisting
13 of—

14 “(1) improved student performance for all
15 groups identified in section 1111;

16 “(2) an increased percentage of teachers par-
17 ticipating in sustained professional development ac-
18 tivities;

19 “(3) a reduction in the beginning teacher attri-
20 tion rate for the agency; and

21 “(4) a reduction in the percentage of teachers
22 who are not certified or licensed, and the percentage
23 who are out-of-field teachers, for the agency.

24 “(b) SCHOOLS.—If a local educational agency applies
25 for funds under this part on behalf of a school for a fourth

1 or subsequent fiscal year (including applying for funds as
 2 part of a partnership), the agency may not receive the
 3 funds for the school for that fiscal year unless the State
 4 determines that the school has demonstrated that, in car-
 5 rying out activities under this part during the past fiscal
 6 year, the school has met the requirements of paragraphs
 7 (1) through (4) of subsection (a).

8 **“SEC. 2212. INFORMATION AND NOTICE TO PARENTS.**

9 “(a) PARENTS’ RIGHT TO KNOW INFORMATION.—

10 “(1) IN GENERAL.—A local educational agency
 11 that receives funds under this title shall provide, on
 12 request, in an understandable and uniform format,
 13 to any parent of a student attending any school
 14 served by the agency, information regarding the pro-
 15 fessional qualifications of each of the student’s class-
 16 room teachers.

17 “(2) CONTENTS.—The agency shall provide, at
 18 a minimum, information on—

19 “(A) whether the teacher has met State
 20 certification or licensing criteria for the aca-
 21 demic subjects and grade levels in which the
 22 teacher teaches the student;

23 “(B) whether the teacher is teaching with
 24 emergency or other provisional credentials, due

1 to which any State certification or licensing cri-
 2 teria have been waived; and

3 “(C) the academic qualifications of the
 4 teacher in the academic subjects and grade lev-
 5 els in which the teacher teaches.

6 “(b) NOTICE.—In addition to providing the informa-
 7 tion described in subsection (a), if a school that receives
 8 funds under this title assigns a student to a teacher who
 9 is not a fully qualified teacher or assigns a student, for
 10 2 or more consecutive weeks, to a substitute teacher who
 11 is not a fully qualified teacher, the school shall provide
 12 notice of the assignment to a parent of the student, not
 13 later than 15 school days after the assignment.

14 **“SEC. 2213. GENERAL ACCOUNTING OFFICE STUDY.**

15 “Not later than September 30, 2005, the Comptroller
 16 General of the United States shall prepare and submit to
 17 the Committee on Education and the Workforce of the
 18 House of Representatives and the Committee on Health,
 19 Education, Labor, and Pensions of the Senate a study set-
 20 ting forth information regarding the progress of States’
 21 compliance in increasing the percentage of fully qualified
 22 teachers for fiscal years 2001 through 2004.

1 **“SEC. 2214. DEFINITION OF FULLY QUALIFIED.**

2 “(a) IN GENERAL.—In this part, the term ‘fully
3 qualified’, used with respect to a teacher, means a teacher
4 who—

5 “(1)(A) has demonstrated the subject matter
6 knowledge, teaching knowledge, and teaching skill
7 necessary to teach effectively in the academic subject
8 in which the teacher teaches, according to the cri-
9 teria described in subsections (b) and (c); and

10 “(B) is not a teacher for whom State certifi-
11 cation or licensing requirements have been waived or
12 who is teaching under an emergency or other provi-
13 sional credential; or

14 “(2) meets the standards set by the National
15 Board for Professional Teaching Standards.

16 “(b) ELEMENTARY SCHOOL.—For purposes of mak-
17 ing the demonstration described in subsection (a)(1), each
18 teacher who teaches elementary school students (other
19 than middle school students) shall, at a minimum—

20 “(1) have State certification (which may include
21 certification obtained through an alternative route)
22 or a State license to teach; and

23 “(2) hold a bachelor’s degree and demonstrate
24 the subject matter knowledge, teaching knowledge,
25 and teaching skill required to teach effectively in
26 reading, writing, mathematics, social studies,

1 science, and other elements of a liberal arts edu-
2 cation.

3 “(c) MIDDLE SCHOOL AND SECONDARY SCHOOL.—

4 For purposes of making the demonstration described in
5 subsection (a)(1), each teacher who teaches middle school
6 students or secondary school students shall, at a
7 minimum—

8 “(1) have State certification (which may include
9 certification obtained through an alternative route)
10 or a State license to teach; and

11 “(2) hold a bachelor’s degree or higher degree
12 and demonstrate a high level of competence in all
13 academic subjects in which the teacher teaches
14 through—

15 “(A) achievement of a high level of per-
16 formance on rigorous academic subject area
17 tests;

18 “(B) completion of an academic major (or
19 courses totaling an equivalent number of credit
20 hours) in each of the academic subjects in
21 which the teacher teaches; or

22 “(C) in the case of teachers hired before
23 the date of enactment of the School Improve-
24 ment Accountability Act, completion of appro-

1 priate coursework for mastery of the academic
2 subjects in which the teacher teaches.”; and

3 (3) by amending section 2215 (as so redesign-
4 nated)—

5 (A) in subsection (a)(3), by adding after
6 “agency” the following: “for which at least 40
7 percent of the students served by the agency
8 are eligible for free or reduced price lunches
9 under the Richard B. Russell National School
10 Lunch Act”; and

11 (B) by inserting after subsection (a)(4) the
12 following:

13 “(5) REPORTING REQUIREMENTS.—Each insti-
14 tution of higher education receiving assistance under
15 paragraph (1) shall fully comply with all reporting
16 requirements of title II of the Higher Education Act
17 of 1965.”.

18 (c) CONFORMING AMENDMENTS.—The Elementary
19 and Secondary Education Act of 1965 (20 U.S.C. 6301
20 et seq.) is amended—

21 (1) in section 2203(2) (20 U.S.C. 6643(2)), by
22 striking “section 2211” and inserting “section
23 2215”; and

1 (2) in section 2205(c)(2) (20 U.S.C.
 2 6645(c)(2)), by striking “section 2211” and insert-
 3 ing “section 2215”.

4 **TITLE III—INNOVATIVE** 5 **EDUCATION**

6 **SEC. 301. REQUIREMENTS FOR STATE PLANS.**

7 Part B of title VI of the Elementary and Secondary
 8 Education Act of 1965 (20 U.S.C. 7331 et seq.) is amend-
 9 ed by adding at the end the following:

10 **“SEC. 6203. REQUIREMENTS FOR STATE PLANS.**

11 “(a) STATE PLANS.—In addition to requirements re-
 12 lating to State applications under this part, the State edu-
 13 cational agency for each State desiring a grant under this
 14 title shall submit a State plan that meets the requirements
 15 of this section to the Secretary at such time, in such man-
 16 ner, and accompanied by such information as the Sec-
 17 retary may require.

18 “(b) CONSOLIDATED PLAN.—A State plan submitted
 19 under subsection (a) may be submitted as part of a con-
 20 solidated plan under section 14302, and as part of a State
 21 application described in section 6202.

22 “(c) CONTENTS.—Each plan submitted under sub-
 23 section (a) shall—

1 “(1) describe how the funds made available
2 through the grant will be used to increase student
3 academic performance;

4 “(2) describe annual, quantifiable, and measur-
5 able performance goals that will be used to measure
6 the impact of those funds on student performance;

7 “(3) describe the methods the State will use to
8 measure the annual impact of programs described in
9 the plan and the extent to which such goals are
10 aligned with State standards;

11 “(4) certify that the State has in place the
12 standards and assessments required under section
13 1111;

14 “(5) certify that the State educational agency
15 has a system, as required under section 1111, for—

16 “(A) holding each local educational agency
17 and school accountable for adequate yearly
18 progress (as described in section 1111(b)(2));

19 “(B) identifying local educational agencies
20 and schools for improvement and corrective ac-
21 tion (as required in sections 1116 and 1117);

22 “(C) assisting local educational agencies
23 and schools that are identified for improvement
24 with the development of improvement plans;
25 and

1 “(D) providing technical assistance, profes-
2 sional development, and other capacity building
3 as needed to get such agencies and schools out
4 of improvement status;

5 “(6) certify that the State educational agency
6 will use the disaggregated results of student assess-
7 ments required under section 1111(b)(3), and other
8 measures or indicators available, to review annually
9 the progress of each local educational agency and
10 school served under this title to determine whether
11 each such agency and school is making adequate
12 yearly progress as required under section
13 1111(b)(2);

14 “(7) certify that the State educational agency
15 will take action against a local educational agency
16 that is identified for corrective action and receiving
17 funds under this title;

18 “(8) describe what, if any, State and other non-
19 Federal resources will be provided to local edu-
20 cational agencies and schools served under this title
21 to carry out activities consistent with this title; and

22 “(9) certify that the State educational agency
23 has a system to hold local educational agencies ac-
24 countable for meeting the annual performance goals
25 required under paragraph (2).

1 “(d) APPROVAL.—The Secretary, using a peer review
2 process, shall approve a State plan submitted under this
3 section if the State plan meets the requirements of this
4 section.

5 “(e) DURATION OF THE PLAN.—Each State plan
6 shall remain in effect for the duration of the State’s par-
7 ticipation under this title.

8 “(f) REQUIREMENT.—A State shall not be eligible to
9 receive funds under this title unless the State has estab-
10 lished the standards and assessments required under sec-
11 tion 1111.

12 “(g) PUBLIC REVIEW.—Each State educational agen-
13 cy will make publicly available the plan approved under
14 subsection (d).

15 **“SEC. 6204. SANCTIONS.**

16 “(a) THIRD FISCAL YEAR.—If a State receiving
17 grant funds under this title fails to meet performance
18 goals established under section 6203(c)(2) by the end of
19 the third fiscal year for which the State receives such
20 grant funds, the Secretary shall reduce by 50 percent the
21 amount the State is entitled to receive for administrative
22 expenses under this title.

23 “(b) FOURTH FISCAL YEAR.—If the State fails to
24 meet such performance goals by the end of the fourth fis-
25 cal year for which the State receives grant funds under

1 this title, the Secretary shall reduce the total amount the
 2 State receives under this title by 20 percent.

3 “(c) TECHNICAL ASSISTANCE.—The Secretary shall
 4 provide technical assistance, at the request of a State sub-
 5 jected to sanctions under subsection (a) or (b).

6 “(d) LOCAL SANCTIONS.—

7 “(1) IN GENERAL.—Each State receiving assist-
 8 ance under this title shall develop a system to hold
 9 local educational agencies accountable for meeting
 10 the adequate yearly progress requirements estab-
 11 lished under part A of title I and the performance
 12 goals established under this title.

13 “(2) SANCTIONS.—A system developed under
 14 paragraph (1) shall include a mechanism for sanc-
 15 tioning local educational agencies for failure to meet
 16 such performance goals and adequate yearly
 17 progress levels.

18 **“SEC. 6205. STATE REPORTS.**

19 “Each State educational agency or Chief Executive
 20 Officer of a State receiving funds under this title shall
 21 annually publish and disseminate to the public in a format
 22 and, to the extent practicable, in a language that the pub-
 23 lic can understand, a report on—

24 “(1) the use of such funds;

1 “(2) the impact of programs conducted with
 2 such funds and an assessment of such programs’ ef-
 3 fectiveness; and

4 “(3) the progress of the State toward attaining
 5 the performance goals established under section
 6 6203(c)(2), and the extent to which the programs
 7 have increased student achievement.

8 **“SEC. 6206. STANDARDS; ASSESSMENTS ENHANCEMENT.**

9 “Each State educational agency receiving a grant
 10 under this title may use such grant funds, consistent with
 11 section 6201(a)(1)(C), to—

12 “(1) establish high quality, internationally com-
 13 petitive content and student performance standards
 14 and strategies that all students will be expected to
 15 meet;

16 “(2) provide for the establishment of high qual-
 17 ity, rigorous assessments that include multiple meas-
 18 ures and demonstrate comprehensive knowledge; or

19 “(3) develop and implement value-added assess-
 20 ments.”.

21 **SEC. 302. PERFORMANCE OBJECTIVES.**

22 Title VII of the Elementary and Secondary Edu-
 23 cation Act of 1965 (20 U.S.C. 7401 et seq.) is amended
 24 by inserting after section 7105 the following:

1 **“SEC. 7106. PERFORMANCE OBJECTIVES.**

2 “(a) IN GENERAL.—Each State educational agency
3 or local educational agency receiving a grant under this
4 part shall develop annual numerical performance objec-
5 tives that are age-appropriate and developmentally-appro-
6 priate with respect to helping limited English proficient
7 students become proficient in English and improve overall
8 academic performance based upon State and local content
9 and performance standards. The objectives shall include
10 incremental percentage increases for each fiscal year a
11 State educational agency or local educational agency re-
12 ceives a grant under this title, including increases from
13 the preceding fiscal year in the number of limited English
14 proficient students demonstrating an increase in perform-
15 ance on annual assessments concerning reading, writing,
16 speaking, and listening comprehension.

17 “(b) ACCOUNTABILITY.—Each State educational
18 agency or local educational agency receiving a grant under
19 this title shall be held accountable for meeting the annual
20 numerical performance objectives under this title and the
21 adequate yearly progress levels for limited English pro-
22 ficient students under clauses (ii) and (iv) of section
23 1111(b)(2)(B). Any State educational agency or local edu-
24 cational agency that fails to meet the annual performance
25 objectives shall be subject to sanctions described in section
26 14515.

1 “(c) PARENTAL NOTIFICATION.—

2 “(1) IN GENERAL.—Each State educational
3 agency or local educational agency shall notify a par-
4 ent of a student who is participating in a language
5 instruction educational program under this title, in
6 a manner and form understandable to the parent,
7 including, if necessary and to the extent feasible, in
8 the native language of the parent, of—

9 “(A) the student’s level of English pro-
10 ficiency, how such level was assessed, the status
11 of the student’s academic achievement, and the
12 implications of the student’s educational
13 strengths and needs for age-appropriate and
14 grade-appropriate academic attainment, pro-
15 motion, and graduation;

16 “(B) what programs are available to meet
17 the student’s educational strengths and needs,
18 and how such programs differ in content and
19 instructional goals from other language instruc-
20 tion educational programs and, in the case of a
21 student with a disability, how such available
22 programs meet the objectives of the individual-
23 ized education program of such a student; and

24 “(C) the instructional goals of the lan-
25 guage instruction educational program, and

1 how the program will specifically help the lim-
2 ited English proficient student learn English
3 and meet State and local content and perform-
4 ance standards, including—

5 “(i) the characteristics, benefits, and
6 past academic results of the language in-
7 struction educational program and of in-
8 structional alternatives; and

9 “(ii) the reasons the student was iden-
10 tified as being in need of a language in-
11 struction educational program.

12 “(2) OPTION TO DECLINE.—Each parent de-
13 scribed in paragraph (1) shall also be informed that
14 the parent has the option of declining the enrollment
15 of a student in a language instruction educational
16 program, and shall be given an opportunity to de-
17 cline such enrollment if the parent so chooses.

18 “(3) SPECIAL RULE.—A student shall not be
19 admitted to, or excluded from, any federally assisted
20 language instruction educational program solely on
21 the basis of a surname or language-minority sta-
22 tus.”.

1 **SEC. 303. REPORT CARDS.**

2 Title XIV of the Elementary and Secondary Edu-
 3 cation Act of 1965 (20 U.S.C. 8801 et seq.) is amended
 4 by adding at the end the following:

5 **“PART I—REPORT CARDS**

6 **“SEC. 14901. REPORT CARDS.**

7 “(a) GRANTS AUTHORIZED.—The Secretary shall
 8 award a grant, from allotments under subsection (b), to
 9 each State having a State report card meeting the require-
 10 ments described in subsection (e), to enable the State, and
 11 local educational agencies and schools in the State, annu-
 12 ally to publish report cards for each elementary school and
 13 secondary school that receives funding under this Act and
 14 is served by the State.

15 “(b) RESERVATIONS AND ALLOTMENTS.—

16 “(1) RESERVATIONS.—From the amount appro-
 17 priated under subsection (j) to carry out this part
 18 for each fiscal year, the Secretary shall reserve—

19 “(A) $\frac{1}{2}$ of 1 percent of such amount for
 20 payments to the Secretary of the Interior for
 21 activities approved by the Secretary of Edu-
 22 cation, consistent with this part, in schools op-
 23 erated or supported by the Bureau of Indian
 24 Affairs, on the basis of their respective needs
 25 for assistance under this part; and

1 “(B) $\frac{1}{2}$ of 1 percent of such amount for
 2 payments to outlying areas, to be allotted in ac-
 3 cordance with their respective needs for assist-
 4 ance under this part, as determined by the Sec-
 5 retary, for activities approved by the Secretary,
 6 consistent with this part.

7 “(2) STATE ALLOTMENTS.—From the amount
 8 appropriated under subsection (j) for a fiscal year
 9 and remaining after the Secretary makes reserva-
 10 tions under paragraph (1), the Secretary shall allot
 11 to each State having a State report card meeting the
 12 requirements described in subsection (e) an amount
 13 that bears the same relationship to the remainder as
 14 the number of public school students enrolled in ele-
 15 mentary schools and secondary schools in the State
 16 bears to the number of such students so enrolled in
 17 all States.

18 “(c) STATE RESERVATION OF FUNDS.—Each State
 19 educational agency receiving a grant under subsection (a)
 20 may reserve—

21 “(1) not more than 10 percent of the grant
 22 funds to carry out activities described in subsections
 23 (e) and (g)(2) for fiscal year 2002; and

24 “(2) not more than 5 percent of the grant
 25 funds to carry out activities described in subsections

1 (e) and (g)(2) for fiscal year 2003 and each of the
2 3 succeeding fiscal years.

3 “(d) WITHIN-STATE ALLOCATIONS.—Each State
4 educational agency receiving a grant under subsection (a)
5 shall allocate the grant funds that remain after making
6 the reservation described in subsection (c) to each local
7 educational agency in the State in an amount that bears
8 the same relationship to the remainder as the number of
9 public school students enrolled in elementary schools and
10 secondary schools served by the local educational agency
11 bears to the number of such students served by local edu-
12 cational agencies within the State.

13 “(e) ANNUAL STATE REPORT CARD.—

14 “(1) REPORT CARDS REQUIRED.—Not later
15 than the beginning of the 2002–2003 school year, a
16 State that receives assistance under this Act shall
17 prepare and disseminate an annual report card for
18 parents, the general public, teachers, and the Sec-
19 retary, with respect to all elementary schools and
20 secondary schools within the State.

21 “(2) REQUIRED INFORMATION.—Each State de-
22 scribed in paragraph (1), at a minimum, shall in-
23 clude in the annual State report card information
24 regarding—

1 “(A) student performance on statewide as-
2 sessments for the year for which the annual
3 State report card is prepared and the preceding
4 year, in at least English language arts and
5 mathematics, including—

6 “(i) a comparison of the proportions
7 of students who performed at the basic,
8 proficient, and advanced levels in each sub-
9 ject area, for each grade level for which as-
10 sessments are required under title I for the
11 year for which the report card is prepared,
12 with proportions in each of the same 3 lev-
13 els in each subject area at the same grade
14 levels in the preceding school year;

15 “(ii) a statement on the most recent
16 3-year trend in the percentage of students
17 performing at the basic, proficient, and ad-
18 vanced levels in each subject area, for each
19 grade level for which assessments are re-
20 quired under title I; and

21 “(iii) a statement of the percentage of
22 students not tested and a listing of cat-
23 egories of the reasons why such students
24 were not tested;

1 “(B) student retention rates in each grade,
 2 the number of students completing advanced
 3 placement courses, annual school dropout rates
 4 as calculated by procedures conforming with the
 5 National Center for Education Statistics Com-
 6 mon Core of Data, and 4-year graduation rates;
 7 and

8 “(C) the professional qualifications of
 9 teachers in the aggregate, including the per-
 10 centage of teachers teaching with emergency or
 11 provisional credentials, the percentage of class
 12 sections not taught by fully qualified teachers,
 13 and the percentage of teachers who are fully
 14 qualified.

15 “(3) STUDENT DATA.—Student data in each re-
 16 port card shall contain disaggregated results for the
 17 following categories:

18 “(A) Racial and ethnic groups.

19 “(B) Gender groups.

20 “(C) Economically disadvantaged students,
 21 as compared with students who are not eco-
 22 nomically disadvantaged.

23 “(D) Students with limited English pro-
 24 ficiency, as compared with students who are
 25 proficient in English.

1 “(E) Migrant status groups.

2 “(F) Students with disabilities, as com-
3 pared with students who are not disabled.

4 “(4) OPTIONAL INFORMATION.—A State may
5 include in the State annual report card any other in-
6 formation the State determines appropriate to re-
7 flect school quality and school achievement, includ-
8 ing by grade level information on the following:

9 “(A) Average class size.

10 “(B) School safety, such as the incidence
11 of school violence and drug and alcohol abuse.

12 “(C) The incidence of student suspensions
13 and expulsions.

14 “(D) Student access to technology, includ-
15 ing the number of computers for educational
16 purposes, the number of computers per class-
17 room, and the number of computers connected
18 to the Internet.

19 “(E) Parental involvement, as determined
20 by such measures as the extent of parental par-
21 ticipation in schools, parental involvement ac-
22 tivities, and extended learning time programs,
23 such as after-school and summer programs.

24 “(f) LOCAL EDUCATIONAL AGENCY AND SCHOOL RE-
25 PORT CARDS.—

1 “(1) IN GENERAL.—The State shall ensure that
 2 each local educational agency, elementary school,
 3 and secondary school in the State, collects appro-
 4 priate data and publishes an annual report card con-
 5 sistent with this subsection.

6 “(2) REQUIRED INFORMATION.—Each local
 7 educational agency, elementary school, and sec-
 8 ondary school described in paragraph (1), at a min-
 9 imum, shall include in its annual report card—

10 “(A) the information described in para-
 11 graphs (2) and (3) of subsection (e) for each
 12 local educational agency and school;

13 “(B) in the case of a local educational
 14 agency—

15 “(i) information regarding the number
 16 and percentage of schools served by the
 17 local educational agency that are identified
 18 for school improvement, including schools
 19 identified under section 1116;

20 “(ii) information on the most recent
 21 3-year trend in the number and percentage
 22 of elementary schools and secondary
 23 schools served by the local educational
 24 agency that are identified for school im-
 25 provement; and

1 “(iii) information on how students in
 2 the schools served by the local educational
 3 agency performed on the statewide assess-
 4 ment compared with students in the State
 5 as a whole;

6 “(C) in the case of an elementary school or
 7 a secondary school—

8 “(i) information regarding whether
 9 the school has been identified for school
 10 improvement;

11 “(ii) information on how the school’s
 12 students performed on the statewide as-
 13 sessment compared with students in
 14 schools served by the same local edu-
 15 cational agency and with all students in
 16 the State; and

17 “(iii) information about the enroll-
 18 ment of students compared with the rated
 19 capacity of the schools; and

20 “(D) other appropriate information, re-
 21 gardless of whether the information is included
 22 in the annual State report.

23 “(g) DISSEMINATION AND ACCESSIBILITY OF RE-
 24 PORT CARDS.—

1 “(1) REPORT CARD FORMAT.—Annual report
2 cards under this part shall be—

3 “(A) concise; and

4 “(B) presented in a format and manner
5 that parents can understand, including, to the
6 extent practicable, in a language the parents
7 can understand.

8 “(2) STATE REPORT CARDS.—State annual re-
9 port cards under subsection (e) shall be dissemi-
10 nated to all elementary schools, secondary schools,
11 and local educational agencies in the State, and
12 made broadly available to the public through means
13 such as posting on the Internet and distribution to
14 the media, and through public agencies.

15 “(3) LOCAL REPORT CARDS.—Local educational
16 agency report cards under subsection (f) shall be
17 disseminated to all elementary schools and secondary
18 schools served by the local educational agency and to
19 parents of students attending such schools, and
20 made broadly available to the public through means
21 such as posting on the Internet and distribution to
22 the media, and through public agencies.

23 “(4) SCHOOL REPORT CARDS.—Elementary
24 school and secondary school report cards under sub-
25 section (f) shall be disseminated to parents of stu-

1 dents attending that school, and made broadly avail-
 2 able to the public through means such as posting on
 3 the Internet and distribution to the media, and
 4 through public agencies.

5 “(h) COORDINATION OF STATE PLAN CONTENT.—A
 6 State shall include in its plan under part A of title I or
 7 part B of title II, an assurance that the State has in effect
 8 a policy that meets the requirements of this section.

9 “(i) PRIVACY.—Information collected under this sec-
 10 tion shall be collected and disseminated in a manner that
 11 protects the privacy of individuals.

12 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
 13 are authorized to be appropriated to carry out this part
 14 \$5,000,000 for fiscal year 2002 and such sums as may
 15 be necessary for each of the 4 succeeding fiscal years.

16 **“PART J—ADDITIONAL PERFORMANCE AND**
 17 **ACCOUNTABILITY PROVISIONS**

18 **“SEC. 14911. REWARDING HIGH PERFORMANCE.**

19 “(a) STATE REWARDS.—

20 “(1) IN GENERAL.—From amounts appro-
 21 priated under subsection (d), the Secretary shall
 22 make awards to States that—

23 “(A) for 3 consecutive years have—

1 “(i) exceeded the State performance
2 goals and objectives established for any
3 title under this Act;

4 “(ii) exceeded the adequate yearly
5 progress levels established under section
6 1111(b)(2);

7 “(iii) significantly narrowed the gaps
8 between minority and nonminority stu-
9 dents, and between economically disadvan-
10 taged students and students who are not
11 economically disadvantaged;

12 “(iv) raised all students to the pro-
13 ficient standard level prior to 10 years
14 after the date of enactment of the School
15 Improvement Accountability Act; or

16 “(v) significantly increased the per-
17 centage of core classes being taught by
18 fully qualified teachers, in schools receiving
19 funds under part A of title I; or

20 “(B) by not later than fiscal year 2005,
21 ensure that all teachers teaching in the State
22 public elementary schools and secondary schools
23 are fully qualified.

24 “(2) STATE USE OF FUNDS.—

1 “(A) DEMONSTRATION SITES.—Each State
2 receiving an award under paragraph (1) shall
3 use a portion of the award funds that are not
4 distributed under subsection (b) to establish
5 demonstration sites with respect to high-per-
6 forming schools (based upon achievement, or
7 performance levels and adequate yearly
8 progress) in order to help low-performing
9 schools.

10 “(B) IMPROVEMENT OF PERFORMANCE.—
11 Each State receiving an award under paragraph
12 (1) shall use the portion of the award funds
13 that are not used pursuant to subparagraph (A)
14 or (C) and are not distributed under subsection
15 (b) for the purpose of improving the level of
16 performance of all elementary school and sec-
17 ondary school students in the State, based upon
18 State content and performance standards.

19 “(C) RESERVATION FOR ADMINISTRATIVE
20 EXPENSES.—Each State receiving an award
21 under paragraph (1) may set aside not more
22 than $\frac{1}{2}$ of 1 percent of the award funds for the
23 planning and administrative costs of carrying
24 out this section, including the costs of distrib-
25 uting awards to local educational agencies.

1 “(b) LOCAL EDUCATIONAL AGENCY AWARDS.—

2 “(1) IN GENERAL.—Each State receiving an
3 award under subsection (a)(1) shall distribute 80
4 percent of the award funds to local educational
5 agencies in the State that—

6 “(A) for 3 consecutive years have—

7 “(i) exceeded the State-established
8 local educational agency performance goals
9 and objectives established for any title
10 under this Act;

11 “(ii) exceeded the adequate yearly
12 progress levels established under section
13 1111(b)(2);

14 “(iii) significantly narrowed the gaps
15 between minority and nonminority stu-
16 dents, and between economically disadvan-
17 taged students and students who are not
18 economically disadvantaged;

19 “(iv) raised all students enrolled in
20 schools served by the local educational
21 agency to the proficient standard level
22 prior to 10 years from the date of enact-
23 ment of the School Improvement Account-
24 ability Act; or

1 “(v) significantly increased the per-
 2 centage of core classes being taught by
 3 fully qualified teachers, in schools receiving
 4 funds under part A of title I;

5 “(B) not later than December 31, 2005,
 6 ensure that all teachers teaching in the elemen-
 7 tary schools and secondary schools served by
 8 the local educational agency are fully qualified;
 9 or

10 “(C) have attained consistently high
 11 achievement in another area that the State de-
 12 termines appropriate to reward.

13 “(2) SCHOOL-BASED PERFORMANCE AWARDS.—
 14 A local educational agency shall use funds made
 15 available under paragraph (1) for activities described
 16 in subsection (c) such as school-based performance
 17 awards.

18 “(3) RESERVATION FOR ADMINISTRATIVE EX-
 19 PENSES.—Each local educational agency receiving
 20 an award under paragraph (1) may set aside not
 21 more than $\frac{1}{2}$ of 1 percent of the award funds for
 22 the planning and administrative costs of carrying
 23 out this section, including the costs of distributing
 24 awards to eligible elementary schools and secondary
 25 schools, teachers, and principals.

1 “(c) SCHOOL REWARDS.—Each local educational
 2 agency receiving an award under subsection (b) shall con-
 3 sult with teachers and principals to develop a reward sys-
 4 tem, and shall use the award funds—

5 “(1) to reward individual schools that dem-
 6 onstrate high performance with respect to—

7 “(A) increasing the academic achievement
 8 of all students;

9 “(B) narrowing the academic achievement
 10 gap described in section 1111(b)(2)(B)(iv);

11 “(C) improving teacher quality;

12 “(D) increasing high-quality professional
 13 development for teachers, principals, and ad-
 14 ministrators; or

15 “(E) improving the English proficiency of
 16 limited English proficient students;

17 “(2) to reward collaborative teams of teachers,
 18 or teams of teachers and principals, that—

19 “(A) significantly increase the annual per-
 20 formance of low-performing students; or

21 “(B) significantly improve in a fiscal year
 22 the English proficiency of limited English pro-
 23 ficient students;

1 “(3) to reward principals who successfully raise
2 the performance of a substantial number of low-per-
3 forming students to high academic levels;

4 “(4) to develop or implement school district-
5 wide programs or policies to increase the level of
6 student performance on State assessments that are
7 aligned with State content standards; and

8 “(5) to reward schools for consistently high
9 achievement in another area that the local edu-
10 cational agency determines appropriate to reward.

11 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to carry out this section
13 \$200,000,000 for fiscal year 2002, and such sums as may
14 be necessary for each of the 4 succeeding fiscal years.

15 “(e) DEFINITION.—The term ‘low-performing stu-
16 dent’ means a student who is below a basic State standard
17 level.”.

18 **SEC. 304. ADDITIONAL ACCOUNTABILITY PROVISIONS.**

19 Part E of title XIV of the Elementary and Secondary
20 Education Act of 1965 (20 U.S.C. 8891 et seq.) is amend-
21 ed by adding at the end the following:

22 **“SEC. 14515. ADDITIONAL ACCOUNTABILITY PROVISIONS.**

23 “(a) IN GENERAL.—Notwithstanding any other pro-
24 vision of this Act, a recipient of funds provided for a fiscal

1 year under part A of title I, part A or C of title III, part
2 A of title IV, part A of title V, or title VII, shall include—

3 (1) in the plans or applications required under
4 such part or title—

5 (A) the methods the recipient will use to
6 measure the annual impact of each program
7 funded in whole or in part with funds provided
8 under such part or title and, if applicable, the
9 extent to which each such program will increase
10 student academic achievement;

11 (B) the annual, quantifiable, and measur-
12 able performance goals and objectives for each
13 such program, and the extent to which, if appli-
14 cable, the program's performance goals and ob-
15 jectives align with State content standards and
16 State student performance standards estab-
17 lished under section 1111(b)(1)(A); and

18 (C) if the recipient is a local educational
19 agency, assurances that the local educational
20 agency consulted, at a minimum, with parents,
21 school board members, teachers, administrators,
22 business partners, education organizations, and
23 community groups to develop the plan or appli-
24 cation submitted and that such consultation will
25 continue on a regular basis; and

1 “(2) in the reports required under such part or
 2 title, a report for the preceding fiscal year regarding
 3 how the plan or application submitted for such fiscal
 4 year under such part or title was implemented, the
 5 recipient’s progress toward attaining the perform-
 6 ance goals and objectives identified in the plan or
 7 application for such year, and, if applicable, the ex-
 8 tent to which programs funded in whole or in part
 9 with funds provided under such part or title in-
 10 creased student achievement.

11 “(b) PENALTIES.—If a recipient of funds under a
 12 part or title described in subsection (a) fails to meet the
 13 performance goals and objectives of the part or title for
 14 3 consecutive fiscal years, the Secretary shall—

15 “(1) withhold not less than 50 percent of the
 16 funds made available under the relevant program for
 17 administrative expenses for the succeeding fiscal
 18 year, and for each consecutive fiscal year until the
 19 recipient meets such performance goals and objec-
 20 tives; and

21 “(2) in the case of—

22 “(A) a competitive grant (as determined by
 23 the Secretary), consider the recipient ineligible
 24 for grants under the part or title until the re-

1 recipient meets such performance goals and objec-
2 tives; and

3 “(B) a formula grant (as determined by
4 the Secretary), withhold not less than 20 per-
5 cent of the total amount of funds provided
6 under title VI for the succeeding fiscal year and
7 each consecutive fiscal year until the recipient
8 meets such goals and objectives.

9 “(c) OTHER PENALTIES.—A State that has not met
10 the requirements of subsection (a)(1)(B) with respect to
11 a fiscal year—

12 “(1) shall not be eligible for designation as an
13 Ed-Flex Partnership State under the Education
14 Flexibility Partnership Act of 1999 until the State
15 meets the requirements of subsection (a)(1)(B); and

16 “(2) shall be subject to such other penalties as
17 are provided in this Act for failure to meet the re-
18 quirements of subsection (a)(1)(B).

19 “(d) SPECIAL RULE FOR SECRETARY AWARDS.—

20 “(1) IN GENERAL.—Notwithstanding any other
21 provision of this Act, a recipient of funds provided
22 under a direct award made by the Secretary, or a
23 contract or cooperative agreement entered into with
24 the Secretary, for a program shall include the fol-

1 lowing information in any application or plan re-
2 quired for such program:

3 “(A) How funds provided under the pro-
4 gram will be used and how such use will in-
5 crease student academic achievement.

6 “(B) The goals and objectives to be met,
7 including goals for dissemination and use of the
8 information or materials produced, where appli-
9 cable.

10 “(C) If the grant requires dissemination of
11 information or materials, how the recipient will
12 track and report annually to the Secretary—

13 “(i) the successful dissemination of in-
14 formation or materials produced;

15 “(ii) where information or materials
16 produced are being used; and

17 “(iii) the impact of such use and, if
18 applicable, the extent to which such use in-
19 creased student academic achievement or
20 contributed to the stated goal of the pro-
21 gram.

22 “(2) REQUIREMENT.—If no application or plan
23 is required under a program described in paragraph
24 (1), the Secretary shall require the recipient of funds

1 to submit a plan containing the information required
 2 under paragraph (1).

3 “(3) FAILURE TO ACHIEVE GOALS AND OBJEC-
 4 TIVES.—

5 “(A) IN GENERAL.—The Secretary shall
 6 evaluate the information submitted under this
 7 subsection to determine whether the recipient
 8 has met the goals and objectives described in
 9 paragraph (1)(B), where applicable, assess the
 10 magnitude of dissemination described in para-
 11 graph (1)(C), and, where applicable, assess the
 12 effectiveness of the activity funded in raising
 13 student academic achievement in places where
 14 information or materials produced with such
 15 funds are used.

16 “(B) INELIGIBILITY.—The Secretary shall
 17 consider the recipient ineligible for grants, con-
 18 tracts, or cooperative agreements under the
 19 program described in paragraph (1) if—

20 “(i) the goals and objectives described
 21 in paragraph (1)(B) have not been met;

22 “(ii) where applicable, the dissemina-
 23 tion has not been of a magnitude to ensure
 24 goals and objectives are being addressed;
 25 and

1 “(iii) where applicable, the informa-
2 tion or materials produced have not made
3 a significant impact on raising student
4 achievement in places where such informa-
5 tion or materials are used.”.

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