

109TH CONGRESS  
1ST SESSION

# H. R. 1681

To improve education for all students, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 19, 2005

Mr. BUTTERFIELD (for himself, Mr. PAYNE, Ms. LEE, Mrs. JONES of Ohio, Mr. OWENS, Mr. RUSH, Mr. THOMPSON of Mississippi, Mr. HOLDEN, Ms. NORTON, Mr. BERMAN, Mr. CLAY, Mr. LEWIS of Georgia, Mr. FORD, Mr. WEXLER, Mr. CONYERS, Mr. CARDOZA, Mr. PETERSON of Minnesota, Mrs. TAUSCHER, Mr. PALLONE, Mr. CLEAVER, and Mr. CLYBURN) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To improve education for all students, and for other purposes.

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 “Quality Education for  
5 All Act”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—STRENGTHENING HEAD START AND CHILD CARE PROGRAMS

Subtitle A—Increasing Access to Head Start Programs

- Sec. 101. Authorization of appropriations.
- Sec. 102. Strengthening Indian and migrant and seasonal Head Start programs.
- Sec. 103. Expanding Early Head Start programs.
- Sec. 104. Participation in Head Start programs.

Subtitle B—Enhancing the School Readiness of Head Start Children

- Sec. 111. School readiness standards.
- Sec. 112. Staff.

Subtitle C—Expanding Access to Quality, Affordable Child Care

- Sec. 121. Authorization of appropriations.

Subtitle D—Strengthening the Quality of Child Care

- Sec. 131. State plan requirements relating to training.
- Sec. 132. Strengthening the quality of child care.

TITLE II—PROVIDING SAFE, RELIABLE TRANSPORTATION FOR RURAL SCHOOL CHILDREN

- Sec. 201. Findings and purpose.
- Sec. 202. Definitions.
- Sec. 203. Grant program.
- Sec. 204. Authorization of appropriations.

TITLE III—SENSE OF THE SENATE REGARDING FULLY FUNDING THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT BY 2011

- Sec. 301. Findings.
- Sec. 302. Sense of the Senate regarding authorization of appropriations.

TITLE IV—IMPROVEMENT OF ELEMENTARY AND SECONDARY EDUCATION

Subtitle A—Public School Choice, Supplemental Educational Services, and Teacher Quality

- Sec. 401. Public school choice capacity.
- Sec. 402. Supplemental educational services.
- Sec. 403. Qualifications for teachers and paraprofessionals.

Subtitle B—Adequate Yearly Progress Determinations

- Sec. 421. Review of adequate yearly progress determinations for schools for the 2002–2003 school year.
- Sec. 422. Review of adequate yearly progress determinations for local educational agencies for the 2002–2003 school year.
- Sec. 423. Definitions.

Subtitle C—Technical Assistance

Sec. 451. Technical assistance.

TITLE V—IMPROVING ASSESSMENT AND ACCOUNTABILITY

Sec. 501. Grants for increasing data capacity for purposes of assessment and accountability.

Sec. 502. Grants for assessment of children with disabilities and children who are limited English proficient.

Sec. 503. Reports on student enrollment and graduation rates.

Sec. 504. Civil rights.

TITLE VI—SENSE OF THE SENATE REGARDING FUNDING FOR  
ELEMENTARY AND SECONDARY EDUCATION

Sec. 601. Sense of the Senate.

TITLE VII—PROVIDING A ROADMAP FOR FIRST GENERATION  
COLLEGE FOR STUDENTS

Sec. 701. Expansion of TRIO and GEARUP.

TITLE VIII—COLLEGE TUITION RELIEF FOR STUDENTS AND  
THEIR FAMILIES THROUGH PELL GRANTS

Sec. 801. Pell Grants tax tables hold harmless.

Sec. 802. Sense of the Senate regarding increasing the maximum Pell Grant.

Sec. 803. Establishment of a Pell demonstration program.

TITLE IX—TUITION FREE COLLEGE FOR MATHEMATICS,  
SCIENCE, AND SPECIAL EDUCATION TEACHERS

Sec. 901. Purpose.

Sec. 902. Tuition free college for mathematics, science, and special education teachers.

Sec. 903. Offset for tuition free college for mathematics, science, and special education teachers.

TITLE X—MAKING COLLEGE AFFORDABLE FOR ALL STUDENTS

Sec. 1001. Expansion of deduction for higher education expenses.

Sec. 1002. Credit for interest on higher education loans.

Sec. 1003. Hope and Lifetime Learning credits to be refundable.

1 **TITLE I—STRENGTHENING HEAD**  
2 **START AND CHILD CARE PRO-**  
3 **GRAMS**

4 **Subtitle A—Increasing Access to**  
5 **Head Start Programs**

6 **SEC. 101. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 639(a) of the Head Start Act (42 U.S.C.  
8 9834(a)) is amended by striking “such sums” and all that  
9 follows and inserting the following: “\$8,570,000,000 for  
10 fiscal year 2006, \$10,445,000,000 for fiscal year 2007,  
11 \$12,384,000,000 for fiscal year 2008, \$14,334,000,000  
12 for fiscal year 2009, and \$16,332,000,000 for fiscal year  
13 2010.”.

14 **SEC. 102. STRENGTHENING INDIAN AND MIGRANT AND**  
15 **SEASONAL HEAD START PROGRAMS.**

16 Section 640(a)(2) of the Head Start Act (42 U.S.C.  
17 9835(a)(2)) is amended by striking subparagraph (A) and  
18 inserting the following:

19 “(A) Indian Head Start programs, services for  
20 children with disabilities, and migrant and seasonal  
21 Head Start programs, except that the Secretary  
22 shall reserve for each fiscal year for use by Indian  
23 Head Start and migrant and seasonal Head Start  
24 programs (referred to in this subparagraph as ‘cov-  
25 ered programs’), on a nationwide basis, a sum that

1 is the total of not less than 4 percent of the amount  
2 appropriated under section 639(a) for that fiscal  
3 year (for Indian Head Start programs), and not less  
4 than 5 percent of that appropriated amount (for mi-  
5 grant and seasonal Head Start programs), except  
6 that—

7 “(i) if reserving the specified percentages  
8 for covered programs and would reduce the  
9 number of children served by Head Start pro-  
10 grams, relative to the number of children served  
11 on the date of enactment of the Quality Edu-  
12 cation for All Act, taking into consideration an  
13 appropriate adjustment for inflation, the Sec-  
14 retary shall reserve percentages that approach,  
15 as closely as practicable, the specified percent-  
16 ages and that do not cause such a reduction;  
17 and

18 “(ii) notwithstanding any other provision  
19 of this subparagraph, the Secretary shall re-  
20 serve for each fiscal year for use by Indian  
21 Head Start programs and by migrant and sea-  
22 sonal Head Start programs, on a nationwide  
23 basis, not less than the amount that was obli-  
24 gated for use by Indian Head Start programs  
25 and by migrant and seasonal Head Start pro-

1           grams, respectively, for the previous fiscal  
2           year;”.

3 **SEC. 103. EXPANDING EARLY HEAD START PROGRAMS.**

4           Section 640(a)(6) of the Head Start Act (42 U.S.C.  
5 9835(a)(6)) is amended—

6           (1) in subparagraph (A), by striking “7.5 per-  
7           cent for fiscal year 1999” and all that follows and  
8           inserting “12 percent for fiscal year 2006, 14 per-  
9           cent for fiscal year 2007, 16 percent for fiscal year  
10          2008, 18 percent for fiscal year 2009, and 20 per-  
11          cent for fiscal year 2010, of the amount appro-  
12          priated pursuant to section 639(a).”;

13          (2) by striking subparagraph (B); and

14          (3) by redesignating subparagraph (C) as sub-  
15          paragraph (B).

16 **SEC. 104. PARTICIPATION IN HEAD START PROGRAMS.**

17          Section 645 of the Head Start Act (42 U.S.C. 9840)  
18 is amended—

19          (1) in subsection (a)(1)(A), by inserting “130  
20          percent of” after “below”; and

21          (2) by adding at the end the following:

22          “(e) After demonstrating a need through a commu-  
23          nity needs assessment, a Head Start agency may apply  
24          to the Secretary to convert part-day sessions, particularly  
25          consecutive part-day sessions, into full-day sessions.”.

1 **Subtitle B—Enhancing the School**  
2 **Readiness of Head Start Children**

3 **SEC. 111. SCHOOL READINESS STANDARDS.**

4 Section 641A(a)(1)(B)(ii) of the Head Start Act (42  
5 U.S.C. 9836(a)(1)(B)(ii)) is amended by striking “at a  
6 minimum” and all that follows and inserting the following:

7 “at a minimum, develop and demonstrate—

8 “(I) language skills, including an ex-  
9 panded use of vocabulary;

10 “(II) interest in and appreciation of  
11 books, reading, and writing (either alone or  
12 with others), phonological and phonemic  
13 awareness, and varied modes of expression  
14 and communication;

15 “(III) premathematics knowledge and  
16 skills, including knowledge and skills relat-  
17 ing to aspects of classification, seriation,  
18 numbers, spatial relations, and time;

19 “(IV) cognitive abilities related to aca-  
20 demic achievement;

21 “(V) abilities related to social and  
22 emotional development;

23 “(VI) gross and fine motor skills; and

24 “(VII) in the case of children with  
25 limited English proficiency, abilities related

1 to progress toward acquisition of the  
2 English language.”.

3 **SEC. 112. STAFF.**

4 (a) STAFF QUALIFICATIONS AND DEVELOPMENT.—  
5 Section 648A of the Head Start Act (42 U.S.C. 9843a)  
6 is amended—

7 (1) in subsection (a)(2)—

8 (A) in subparagraph (A)—

9 (i) in the matter preceding clause (i),  
10 by striking “not later than September 30,  
11 2003” and all that follows through “pro-  
12 grams have” and inserting “not later than  
13 the date determined under subparagraph  
14 (D) for a Head Start region, each Head  
15 Start agency in the region with a center-  
16 based program shall ensure that all class-  
17 rooms in the program have at least 1  
18 teacher who has”;

19 (ii) in clause (i), strike “an associate,  
20 baccalaureate,” and insert “a bacca-  
21 laurate”; and

22 (iii) in clause (ii), strike “an asso-  
23 ciate, baccalaureate,” and insert “a bacca-  
24 laurate”; and

1 (B) by striking subparagraph (B) and in-  
2 serting the following:

3 “(B) TEMPORARY REQUIREMENT.—Until  
4 the date determined under subparagraph (D)  
5 for a Head Start region, the Secretary shall en-  
6 sure that at least 50 percent of all Head Start  
7 teachers in the region in center-based programs  
8 have—

9 “(i) an associate, baccalaureate, or  
10 advanced degree in early childhood edu-  
11 cation; or

12 “(ii) an associate, baccalaureate, or  
13 advanced degree in a field related to early  
14 childhood education, with experience in  
15 teaching preschool children.

16 “(C) REQUIREMENT FOR NEW HEAD  
17 START TEACHERS.—Not later than 3 years  
18 after the date of enactment of the Quality Edu-  
19 cation for All Act, the Secretary shall require  
20 that all teachers hired nationwide in center-  
21 based programs of Head Start agencies fol-  
22 lowing the date of the requirement—

23 “(i) have an associate, baccalaureate,  
24 or advanced degree in early childhood edu-  
25 cation;

1           “(ii) have an associate, baccalaureate,  
2           or advanced degree in a field related to  
3           early childhood education, with experience  
4           in teaching preschool children; or

5           “(iii) be enrolled, or enroll not later  
6           than 1 year after the date of hire, in a pro-  
7           gram of study leading to an associate de-  
8           gree in early childhood education.

9           “(D) APPROPRIATE DATE.—The Secretary  
10          shall determine an appropriate date for Head  
11          Start agencies in each Head Start region to  
12          reach the result described in subparagraph (A),  
13          but in no case shall such a date be later than  
14          8 years after the date of enactment of Quality  
15          Education for All Act.

16          “(E) PROGRESS.—

17                 “(i) REQUIREMENT.—The Secretary  
18                 shall require Head Start agencies with cen-  
19                 ter-based programs to demonstrate con-  
20                 tinuing and consistent progress each year  
21                 to reach the results described in subpara-  
22                 graphs (A) and (C).

23                 “(ii) PLAN.—Each State shall estab-  
24                 lish a plan for the Head Start agencies  
25                 with center-based programs in the State to

1 reach the results described in subpara-  
2 graphs (A) and (C).

3 “(iii) PROGRESS.—Each Head Start  
4 agency shall prepare and submit to the  
5 Secretary and the Governor of the State a  
6 report indicating the number and percent-  
7 age of its teachers in center-based pro-  
8 grams with child development associate  
9 credentials or associate, baccalaureate, or  
10 advanced degrees in early childhood edu-  
11 cation or a field related to early childhood  
12 education. The Secretary shall compile all  
13 such reports and submit a summary of the  
14 compiled reports to the Committee on  
15 Health, Education, Labor, and Pensions of  
16 the Senate and the Committee on Edu-  
17 cation and the Workforce of the House of  
18 Representatives.”;

19 (2) in subsection (a)(3), by striking “(2)(A)”  
20 and inserting “(2)(B)”; and

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

22 “(f) PRE-LITERACY AND LANGUAGE TRAINING.—To  
23 support local efforts to enhance early language and pre-  
24 literacy development of children in Head Start programs,  
25 and to provide the children with high-quality oral language

1 skills and environments that are rich in literature, in  
2 which to acquire early language and pre-literacy skills,  
3 each Head Start agency shall ensure that all of the agen-  
4 cy's Head Start teachers receive ongoing training in lan-  
5 guage and emergent literacy. Such training shall also in-  
6 clude information regarding appropriate curricula and as-  
7 sessments to improve instruction and learning. Such train-  
8 ing shall include training in methods to promote phono-  
9 logical and phonemic awareness and vocabulary develop-  
10 ment in an age-appropriate and culturally and linguis-  
11 tically appropriate manner.

12       “(g) PROFESSIONAL DEVELOPMENT PLANS.—Each  
13 Head Start agency and center shall create, in consultation  
14 with employees of the agency or center (including family  
15 service workers), a professional development plan for em-  
16 ployees who provide direct services to children, including  
17 a plan for teachers, to meet the requirements set forth  
18 in subsection (a).”.

19       (b) ATTRACTING AND RETAINING HIGH-QUALITY  
20 HEAD START TEACHERS; TRIBAL COLLEGE OR UNIVER-  
21 SITY-HEAD START PARTNERSHIP PROGRAM.—

22               (1) PROGRAM.—The Head Start Act is amend-  
23 ed by inserting after section 648A (42 U.S.C.  
24 9843a) the following:

1 **“SEC. 648B. ATTRACTING AND RETAINING HIGH-QUALITY**  
2 **HEAD START TEACHERS.**

3 “(a) IN GENERAL.—The Secretary shall make grants  
4 to eligible Head Start agencies to enable the agencies to  
5 reach the results described in subparagraphs (A) and (C)  
6 of section 648A(a)(2). The Secretary shall make the  
7 grants from allotments determined under subsection (b).

8 “(b) ALLOTMENTS.—From the funds made available  
9 under section 639(c) for a fiscal year and not reserved  
10 under subsection (d), the Secretary shall allot to each  
11 Head Start agency an amount that bears the same rela-  
12 tionship to such funds as the amount received by the agen-  
13 cy under section 640 for that fiscal year bears to the  
14 amount received by all Head Start agencies under section  
15 640 for that fiscal year.

16 “(c) SALARY PLAN.—A Head Start agency that re-  
17 ceives a grant under this section shall develop and carry  
18 out a plan to raise the average salaries of teachers in the  
19 agency’s Head Start programs. In developing the plan, the  
20 agency shall take into consideration the training, level of  
21 education, and experience of the teachers, and the average  
22 salaries of prekindergarten and kindergarten teachers em-  
23 ployed by the local educational agency for the school dis-  
24 trict in which the Head Start agency is located, with simi-  
25 lar training, level of education, and experience.

1 “(d) SALARIES IN HIGH-COST AREAS.—The Sec-  
2 retary may reserve and use a portion of the funds available  
3 under section 639(c) to assist Head Start agencies located  
4 in high-cost areas to help reduce the discrepancy between  
5 such average salaries of such teachers and such average  
6 salaries of such prekindergarten and kindergarten teach-  
7 ers.

8 **“SEC. 648C. TRIBAL COLLEGE OR UNIVERSITY-HEAD START**  
9 **PARTNERSHIP PROGRAM.**

10 “(a) TRIBAL COLLEGE OR UNIVERSITY-HEAD START  
11 PARTNERSHIP PROGRAM.—

12 “(1) GRANTS.—The Secretary is authorized to  
13 award grants, of not less than 5 years duration, to  
14 Tribal Colleges and Universities to—

15 “(A) implement education programs that  
16 include tribal culture and language and increase  
17 the number of associate, baccalaureate, and  
18 graduate degrees in early childhood education  
19 and related fields that are earned by Indian  
20 Head Start agency staff members, parents of  
21 children served by such an agency, and mem-  
22 bers of the tribal community involved;

23 “(B) develop and implement the programs  
24 under subparagraph (A) in technology-mediated  
25 formats; and

1           “(C) provide technology literacy programs  
2           for Indian Head Start agency staff members  
3           and children and families of children served by  
4           such an agency.

5           “(2) STAFFING.—The Secretary shall ensure  
6           that the American Indian Programs Branch of the  
7           Head Start Bureau of the Department of Health  
8           and Human Services shall have staffing sufficient to  
9           administer the programs under this section and to  
10          provide appropriate technical assistance to Tribal  
11          Colleges and Universities receiving grants under this  
12          section.

13          “(b) APPLICATION.—Each Tribal College or Univer-  
14          sity desiring a grant under this section shall submit an  
15          application to the Secretary, at such time, in such manner,  
16          and containing such information as the Secretary may re-  
17          quire, including a certification that the Tribal College or  
18          University has established a partnership with 1 or more  
19          Indian Head Start agencies for the purpose of conducting  
20          the activities described in subsection (a).

21          “(c) DEFINITIONS.—In this section:

22                 “(1) INSTITUTION OF HIGHER EDUCATION.—  
23                 The term ‘institution of higher education’ has the  
24                 meaning given such term in section 101(a) of the  
25                 Higher Education Act of 1965 (20 U.S.C. 1001(a)).

1           “(2) TRIBAL COLLEGE OR UNIVERSITY.—The  
2           term ‘Tribal College or University’ means an institu-  
3           tion—

4                   “(A) defined by such term in section  
5                   316(b) of the Higher Education Act of 1965  
6                   (20 U.S.C. 1059c(b)); and

7                   “(B) determined to be accredited or a can-  
8                   didate for accreditation by a nationally recog-  
9                   nized accrediting agency or association.

10          “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
11          are authorized to be appropriated to carry out this section,  
12          \$10,000,000 for fiscal year 2006 and such sums as may  
13          be necessary for each of fiscal years 2007 through 2010.”.

14          (2) AUTHORIZATION OF APPROPRIATIONS.—  
15          Section 639 of the Head Start Act (42 U.S.C. 9834)  
16          is amended—

17                   (A) in subsection (a), by inserting “(other  
18                   than section 648B)” after “this subchapter”;  
19                   and

20                   (B) by adding at the end the following:

21          “(c) There are authorized to be appropriated to carry  
22          out section 648B \$387,000,000 for fiscal year 2006,  
23          \$496,000,000 for fiscal year 2007, \$608,000,000 for fis-  
24          cal year 2008, \$723,000,000 for fiscal year 2009, and  
25          \$841,000,000 for fiscal year 2010.”.

1           (3) CONFORMING AMENDMENTS.—Section 640  
2 of the Head Start Act (42 U.S.C. 9835) is amend-  
3 ed—

4           (A) in subsection (a)—

5                 (i) in paragraph (1), by striking “sec-  
6 tion 639” and inserting “section 639(a)”;

7                 (ii) in paragraph (2)—

8                     (I) in the matter preceding sub-  
9 paragraph (A), by inserting “pursuant  
10 to section 639(a)” after “appro-  
11 priated”;

12                    (II) in subparagraph (B), in the  
13 matter following clause (ii), by insert-  
14 ing “pursuant to section 639(a)” after  
15 “appropriated”; and

16                    (III) in subparagraph (C), by in-  
17 serting “pursuant to section 639(a)”  
18 after “appropriated” each place it ap-  
19 pears; and

20                 (iii) in paragraph (4), in the matter  
21 preceding subparagraph (A), by inserting  
22 “pursuant to section 639(a)” after “appro-  
23 priated”; and

1 (B) in subsection (g)(1), by inserting “pur-  
2 suant to section 639(a)” after “appropriated”  
3 each place it appears.

## 4 **Subtitle C—Expanding Access to** 5 **Quality, Affordable Child Care**

### 6 **SEC. 121. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 658B of the Child Care and Development  
8 Block Grant Act of 1990 (42 U.S.C. 9858) is amended—  
9 (1) by striking “is” and inserting “are”; and  
10 (2) by striking “subchapter” and all that fol-  
11 lows and inserting “subchapter \$3,100,000,000 for  
12 fiscal year 2006, \$4,100,000,000 for fiscal year  
13 2007, \$5,100,000,000 for fiscal year 2008,  
14 \$6,100,000,000 for fiscal year 2009, and  
15 \$7,100,000,000 for fiscal year 2010.”.

## 16 **Subtitle D—Strengthening the** 17 **Quality of Child Care**

### 18 **SEC. 131. STATE PLAN REQUIREMENTS RELATING TO** 19 **TRAINING.**

20 Section 658E(c) of the Child Care and Development  
21 Block Grant Act of 1990 (42 U.S.C. 9858c(c)) is amended  
22 by adding at the end the following:

23 “(6) TRAINING IN EARLY LEARNING AND  
24 CHILDHOOD DEVELOPMENT.—The State plan shall  
25 describe any training requirements that are in effect

1 within the State that are designed to enable child  
2 care providers to promote the social, emotional,  
3 physical, and cognitive development of children and  
4 that are applicable to child care providers that pro-  
5 vide services for which assistance is made available  
6 under this subchapter in the State.”.

7 **SEC. 132. STRENGTHENING THE QUALITY OF CHILD CARE.**

8 Section 658G of the Child Care and Development  
9 Block Grant Act of 1990 (42 U.S.C. 9858e) is amended  
10 to read as follows:

11 **“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**  
12 **CHILD CARE.**

13 “(a) IN GENERAL.—

14 “(1) RESERVATION.—Each State that receives  
15 funds appropriated under section 639(a) for a fiscal  
16 year shall reserve and use not less than 6 percent  
17 of the funds for activities provided directly, or  
18 through grants or contracts with resource and refer-  
19 ral organizations or other appropriate entities, that  
20 are designed to improve the quality of child care  
21 services.

22 “(2) ACTIVITIES.—The funds reserved under  
23 paragraph (1) may only be used to—

24 “(A) develop and implement voluntary  
25 guidelines on pre-reading and language skills

1 and activities, for child care programs in the  
2 State, that are aligned with State standards for  
3 kindergarten through grade 12 or the State’s  
4 general goals for school preparedness;

5 “(B) support activities and provide tech-  
6 nical assistance in child care settings to en-  
7 hance early learning for young children, to pro-  
8 mote literacy, and to foster school prepared-  
9 ness;

10 “(C) offer training, professional develop-  
11 ment, and educational opportunities for child  
12 care providers that relate to the use of develop-  
13 mentally appropriate and age-appropriate cur-  
14ricula, and early childhood teaching strategies,  
15 that are scientifically based and aligned with  
16 the social, emotional, physical, and cognitive de-  
17 velopment of children, including—

18 “(i) developing and operating distance  
19 learning child care training infrastructures;

20 “(ii) developing model technology-  
21 based training courses;

22 “(iii) offering training for caregivers  
23 in informal child care settings; and

1           “(iv) offering training for child care  
2           providers who care for infants and toddlers  
3           and children with special needs;

4           “(D) engage in programs designed to in-  
5           crease the retention and improve the com-  
6           petencies of child care providers, including wage  
7           incentive programs and initiatives that establish  
8           tiered payment rates for providers that meet or  
9           exceed child care services guidelines, as defined  
10          by the State;

11          “(E) evaluate and assess the quality and  
12          effectiveness of child care programs and serv-  
13          ices offered in the State to young children on  
14          improving overall school preparedness; and

15          “(F) carry out other activities determined  
16          by the State to improve the quality of child care  
17          services provided in the State and for which  
18          measurement of outcomes relating to improved  
19          child safety, child well-being, or school pre-  
20          paredness is possible.

21          “(b) CERTIFICATION.—For each fiscal year begin-  
22          ning after September 30, 2005, the State shall annually  
23          submit to the Secretary a certification in which the State  
24          certifies and demonstrates that the State was in compli-  
25          ance with subsection (a) during the preceding fiscal year

1 and describes how the State used funds made available  
2 to carry out this subchapter to comply with subsection (a)  
3 during that preceding fiscal year.”.

4 **TITLE II—PROVIDING SAFE, RE-**  
5 **LIABLE TRANSPORTATION**  
6 **FOR RURAL SCHOOL CHIL-**  
7 **DREN**

8 **SEC. 201. FINDINGS AND PURPOSE.**

9 (a) FINDINGS.—Congress finds that—

10 (1) school transportation issues have concerned  
11 parents, local educational agencies, lawmakers, the  
12 National Highway Traffic Safety Administration,  
13 the National Transportation Safety Board, and the  
14 Environmental Protection Agency for years;

15 (2) millions of children face potential future  
16 health problems because of exposure to noxious  
17 fumes emitted from older school buses;

18 (3) the Environmental Protection Agency estab-  
19 lished the Clean School Bus USA program to re-  
20 place 129,000 of the oldest diesel buses that cannot  
21 be retrofitted in an effort to help children and the  
22 environment by improving air quality;

23 (4) unfortunately, many rural local educational  
24 agencies are unable to participate in that program

1 because of the specialized fuels needed to sustain a  
2 clean bus fleet;

3 (5) many rural local educational agencies are  
4 operating outdated, unsafe school buses that are  
5 failing inspections because of automotive flaws, re-  
6 sulting in the depletion of the school bus fleets of  
7 the local educational agencies; and

8 (6) many rural local educational agencies are  
9 unable to afford to buy newer, safer buses.

10 (b) PURPOSE.—The purpose of this title is to estab-  
11 lish within the Department of Education a Federal cost-  
12 sharing program to assist rural local educational agencies  
13 with older, unsafe school bus fleets in purchasing newer,  
14 safer school buses.

15 **SEC. 202. DEFINITIONS.**

16 In this title:

17 (1) RURAL LOCAL EDUCATIONAL AGENCY.—  
18 The term “rural local educational agency” means a  
19 local educational agency, as defined in section 9101  
20 of the Elementary and Secondary Education Act of  
21 1965 (20 U.S.C. 7801), with respect to which—

22 (A) each county in which a school served  
23 by the local educational agency is located has a  
24 total population density of fewer than 10 per-  
25 sons per square mile;

1 (B) all schools served by the local edu-  
2 cational agency are designated with a school lo-  
3 cale code of 7 or 8, as determined by the Sec-  
4 retary; or

5 (C) all schools served by the local edu-  
6 cational agency have been designated, by official  
7 action taken by the legislature of the State in  
8 which the local educational agency is located, as  
9 rural schools for purposes relating to the provi-  
10 sion of educational services to students in the  
11 State.

12 (2) SECRETARY.—The term “Secretary” means  
13 the Secretary of Education.

14 (3) SCHOOL BUS.—The term “school bus”  
15 means a vehicle the primary purpose of which is to  
16 transport students to and from school or school ac-  
17 tivities.

18 **SEC. 203. GRANT PROGRAM.**

19 (a) IN GENERAL.—From amounts appropriated  
20 under subsection (e) for a fiscal year, the Secretary shall  
21 provide grants, on a competitive basis, to rural local edu-  
22 cational agencies to pay the Federal share of the cost of  
23 purchasing new school buses.

24 (b) APPLICATION.—

1           (1) IN GENERAL.—Each rural local educational  
2 agency that seeks to receive a grant under this title  
3 shall submit to the Secretary for approval an appli-  
4 cation at such time, in such manner, and accom-  
5 panied by such information (in addition to informa-  
6 tion required under paragraph (2)) as the Secretary  
7 may require.

8           (2) CONTENTS.—Each application submitted  
9 under paragraph (1) shall include—

10           (A) documentation that, of the total num-  
11 ber of school buses operated by the rural local  
12 educational agency, not less than 50 percent of  
13 the school buses are in need of repair or re-  
14 placement;

15           (B) documentation of the number of miles  
16 that each school bus operated by the rural local  
17 educational agency traveled in the most recent  
18 9-month academic year;

19           (C) documentation that the rural local edu-  
20 cational agency is operating with a reduced  
21 fleet of school buses;

22           (D) a certification from the rural local  
23 educational agency that—

1 (i) authorizes the application of the  
2 rural local educational agency for a grant  
3 under this title; and

4 (ii) describes the dedication of the  
5 rural local educational agency to school  
6 bus replacement programs and school  
7 transportation needs (including the num-  
8 ber of new school buses needed by the  
9 rural local educational agency); and

10 (E) an assurance that the rural local edu-  
11 cational agency will pay the non-Federal share  
12 of the cost of the purchase of new school buses  
13 under this title from non-Federal sources.

14 (c) PRIORITY.—In providing grants under this title,  
15 the Secretary shall give priority to rural local educational  
16 agencies that, as determined by the Secretary—

17 (1) are transporting students in a bus manufac-  
18 tured before 1977;

19 (2) have a grossly depleted fleet of school buses;  
20 or

21 (3) serve a school that is required, under sec-  
22 tion 1116(b)(9) of the Elementary and Secondary  
23 Education Act of 1965 (20 U.S.C. 6316(b)(9)), to  
24 provide transportation to students to enable the stu-

1       dents to transfer to another public school served by  
2       the rural local educational agency.

3       (d) USE OF FUNDS.—School buses purchased with  
4       grant funds awarded under subsection (a) shall be in com-  
5       pliance with proposed air quality regulations and stand-  
6       ards of the Environmental Protection Agency for 2006.

7       (e) PAYMENTS; FEDERAL SHARE.—

8             (1) PAYMENTS.—The Secretary shall pay to  
9       each rural local educational agency having an appli-  
10      cation approved under this section the Federal share  
11      described in paragraph (2) of the cost of purchasing  
12      such number of new school buses as is specified in  
13      the approved application.

14            (2) FEDERAL SHARE.—The Federal share of  
15      the cost of purchasing a new school bus under this  
16      title shall be 75 percent.

17 **SEC. 204. AUTHORIZATION OF APPROPRIATIONS.**

18       There are authorized to be appropriated to carry out  
19      this title \$50,000,000 for fiscal year 2006 and such sums  
20      as may be necessary for each of fiscal years 2007 through  
21      2010.

1 **TITLE III—SENSE OF THE SEN-**  
2 **ATE REGARDING FULLY**  
3 **FUNDING THE INDIVIDUALS**  
4 **WITH DISABILITIES EDU-**  
5 **CATION ACT BY 2011**

6 **SEC. 301. FINDINGS.**

7 (a) FINDINGS.—The Senate finds the following:

8 (1) Disability is a natural part of the human  
9 experience and in no way diminishes the right of in-  
10 dividuals to participate in or contribute to society.  
11 Improving educational results for children with dis-  
12 abilities is an essential element of our national policy  
13 of ensuring equality of opportunity, full participa-  
14 tion, independent living, and economic self-suffi-  
15 ciency for individuals with disabilities.

16 (2) Before the date of enactment of the Edu-  
17 cation for All Handicapped Children Act of 1975  
18 (Public Law 94–142), the predecessor to the Indi-  
19 viduals with Disabilities Education Act (20 U.S.C.  
20 1400 et seq.), the educational needs of millions of  
21 children with disabilities were not being fully met be-  
22 cause—

23 (A) the children did not receive appro-  
24 priate educational services;

1 (B) the children were excluded entirely  
2 from the public school system and from being  
3 educated with their peers;

4 (C) undiagnosed disabilities prevented the  
5 children from having a successful educational  
6 experience; or

7 (D) a lack of adequate resources within the  
8 public school system forced such families to find  
9 services outside the public school system.

10 (3) The Individuals with Disabilities Education  
11 Act has been successful in ensuring children with  
12 disabilities and the families of such children access  
13 to a free appropriate public education and in im-  
14 proving educational results for children with disabil-  
15 ities.

16 (4) The implementation of the Individuals with  
17 Disabilities Education Act has been impeded by the  
18 Federal Government's failure to honor the commit-  
19 ment it made 30 years ago to provide States with  
20 40 percent of the excess costs of special education.

21 (5) While States, local educational agencies,  
22 and educational service agencies are primarily re-  
23 sponsible for providing an education for all children  
24 with disabilities, it is in the national interest that  
25 the Federal Government have a supporting role in

1 assisting State and local efforts to educate children  
2 with disabilities in order to improve results for such  
3 children and to ensure equal protection of the law.

4 (6) Congress passed authorizing language to  
5 fully fund the Individuals with Disabilities Edu-  
6 cation Act and should appropriate such sums as au-  
7 thORIZED.

8 (7) A more equitable allocation of resources is  
9 essential for the Federal Government to meet its re-  
10 sponsibility to provide an equal educational oppor-  
11 tunity for all individuals.

12 **SEC. 302. SENSE OF THE SENATE REGARDING AUTHORIZA-**  
13 **TION OF APPROPRIATIONS.**

14 It is the sense of the Senate that for the purpose of  
15 carrying out the Federal Government's commitment to  
16 children, parents, and the States, there should be author-  
17 ized to be appropriated—

18 (1) \$14,648,647,143 or the maximum amount  
19 available for awarding grants under section  
20 611(a)(2) of the Individuals with Disabilities Edu-  
21 cation Act, whichever is lower, for fiscal year 2006,  
22 and there should be appropriated \$4,058,901,319  
23 for fiscal year 2006, which should become available  
24 for obligation on July 1, 2006, and should remain  
25 available through September 30, 2007, except that if

1 the maximum amount available for awarding grants  
2 under section 611(a)(2) of such Act is less than  
3 \$14,648,647,143, then the amount should be re-  
4 duced by the difference between \$14,648,647,143  
5 and the maximum amount available for awarding  
6 grants under section 611(a)(2) of such Act;

7 (2) \$16,938,917,714 or the maximum amount  
8 available for awarding grants under section  
9 611(a)(2) of the Individuals with Disabilities Edu-  
10 cation Act, whichever is lower, for fiscal year 2007,  
11 and there should be appropriated \$6,349,171,890  
12 for fiscal year 2007, which should become available  
13 for obligation on July 1, 2007, and should remain  
14 available through September 30, 2008, except that if  
15 the maximum amount available for awarding grants  
16 under section 611(a)(2) of such Act is less than  
17 \$16,938,917,714, then the amount should be re-  
18 duced by the difference between \$16,938,917,714  
19 and the maximum amount available for awarding  
20 grants under section 611(a)(2) of such Act;

21 (3) \$19,229,188,286 or the maximum amount  
22 available for awarding grants under section  
23 611(a)(2) of the Individuals with Disabilities Edu-  
24 cation Act, whichever is lower, for fiscal year 2008,  
25 and there should be appropriated \$8,639,442,462

1 for fiscal year 2008, which should become available  
2 for obligation on July 1, 2008, and should remain  
3 available through September 30, 2009, except that if  
4 the maximum amount available for awarding grants  
5 under section 611(a)(2) of such Act is less than  
6 \$19,229,188,286, then the amount should be re-  
7 duced by the difference between \$19,229,188,286  
8 and the maximum amount available for awarding  
9 grants under section 611(a)(2) of such Act;

10 (4) \$21,519,458,857 or the maximum amount  
11 available for awarding grants under section  
12 611(a)(2) of the Individuals with Disabilities Edu-  
13 cation Act, whichever is lower, for fiscal year 2009,  
14 and there should be appropriated \$10,929,713,033  
15 for fiscal year 2009, which should become available  
16 for obligation on July 1, 2009, and should remain  
17 available through September 30, 2010, except that if  
18 the maximum amount available for awarding grants  
19 under section 611(a)(2) of such Act is less than  
20 \$21,519,458,857, then the amount should be re-  
21 duced by the difference between \$21,519,458,857  
22 and the maximum amount available for awarding  
23 grants under section 611(a)(2) of such Act;

24 (5) \$23,809,729,429 or the maximum amount  
25 available for awarding grants under section

1       611(a)(2) of the Individuals with Disabilities Edu-  
2       cation Act, whichever is lower, for fiscal year 2010,  
3       and there should be appropriated \$13,219,983,605  
4       for fiscal year 2010, which should become available  
5       for obligation on July 1, 2010, and should remain  
6       available through September 30, 2011, except that if  
7       the maximum amount available for awarding grants  
8       under section 611(a)(2) of such Act is less than  
9       \$23,809,729,429, then the amount should be re-  
10      duced by the difference between \$23,809,729,429  
11      and the maximum amount available for awarding  
12      grants under section 611(a)(2) of such Act;

13           (6) \$26,100,000,000 or the maximum amount  
14      available for awarding grants under section  
15      611(a)(2) of the Individuals with Disabilities Edu-  
16      cation Act, whichever is lower, for fiscal year 2011,  
17      and there should be appropriated \$15,510,254,176  
18      for fiscal year 2011, which should become available  
19      for obligation on July 1, 2011, and should remain  
20      available through September 30, 2012, except that if  
21      the maximum amount available for awarding grants  
22      under section 611(a)(2) of such Act is less than  
23      \$26,100,000,000, then the amount should be re-  
24      duced by the difference between \$26,100,000,000

1 and the maximum amount available for awarding  
2 grants under section 611(a)(2) of such Act; and

3 (7) the maximum amount available for award-  
4 ing grants under section 611(a)(2) of the Individuals  
5 with Disabilities Education Act for fiscal year 2012  
6 and each succeeding fiscal year, and there should be  
7 appropriated for each such year an amount equal to  
8 the maximum amount available for awarding grants  
9 under section 611(a)(2) of such Act for the fiscal  
10 year for which the determination is made minus  
11 \$10,589,745,824, which should become available for  
12 obligation on July 1 of the fiscal year for which the  
13 determination is made and should remain available  
14 through September 30 of the succeeding fiscal year.

15 **TITLE IV—IMPROVEMENT OF EL-**  
16 **EMENTARY AND SECONDARY**  
17 **EDUCATION**

18 **Subtitle A—Public School Choice,**  
19 **Supplemental Educational Serv-**  
20 **ices, and Teacher Quality**

21 **SEC. 401. PUBLIC SCHOOL CHOICE CAPACITY.**

22 (a) SCHOOL CAPACITY.—Section 1116(b)(1)(E) of  
23 the Elementary and Secondary Education Act of 1965 (20  
24 U.S.C. 6316(b)(1)(E)) is amended—

1 (1) in clause (i), by striking “In the case” and  
 2 inserting “Subject to clauses (ii) and (iii), in the  
 3 case”;

4 (2) by redesignating clause (ii) as clause (iii);

5 (3) by inserting after clause (i) the following:

6 “(ii) SCHOOL CAPACITY.—The obliga-  
 7 tion of a local educational agency to pro-  
 8 vide the option to transfer to students  
 9 under clause (i) is subject to all applicable  
 10 State and local health and safety code re-  
 11 quirements regarding facility capacity.”;  
 12 and

13 (4) in clause (iii) (as redesignated by paragraph  
 14 (2)), by inserting “and subject to clause (ii),” after  
 15 “public school,”.

16 (b) GRANTS FOR SCHOOL CONSTRUCTION AND REN-  
 17 OVATION.—

18 (1) IN GENERAL.—Subpart 1 of part A of title  
 19 I of the Elementary and Secondary Education Act  
 20 of 1965 (20 U.S.C. 6311 et seq.) is amended by  
 21 adding at the end the following:

22 **“SEC. 1120C. GRANTS FOR SCHOOL CONSTRUCTION AND**  
 23 **RENOVATION.**

24 “(a) PROGRAM AUTHORIZED.—From funds appro-  
 25 priated under subsection (g), the Secretary is authorized

1 to award grants to local educational agencies experiencing  
2 overcrowding in the schools served by the local educational  
3 agencies, for the construction and renovation of safe,  
4 healthy, high-performance school buildings.

5 “(b) APPLICATION.—Each local educational agency  
6 desiring a grant under this section shall submit an appli-  
7 cation to the Secretary at such time, in such manner, and  
8 accompanied by such additional information as the Sec-  
9 retary may require.

10 “(c) PRIORITY.—In awarding grants under this sec-  
11 tion, the Secretary shall give priority to local educational  
12 agencies—

13 “(1) who have documented difficulties in meet-  
14 ing the public school choice requirements of para-  
15 graph (1)(E), (5)(A), (7)(C)(i), or (8)(A)(i) of sec-  
16 tion 1116(b), or section 1116(c)(10)(C)(vii); and

17 “(2) with the highest number of schools at or  
18 above capacity.

19 “(d) AWARD BASIS.—From funds remaining after  
20 awarding grants under subsection (c), the Secretary shall  
21 award grants to local educational agencies that are experi-  
22 encing overcrowding in the schools served by the local edu-  
23 cational agencies.

24 “(e) PREVAILING WAGES.—Any laborer or mechanic  
25 employed by any contractor or subcontractor in the per-

1 formance of work on any construction funded by a grant  
2 awarded under this section will be paid wages at rates not  
3 less than those prevailing on similar construction in the  
4 locality as determined by the Secretary of Labor under  
5 subchapter IV of chapter 31 of title 40, United States  
6 Code (commonly referred to as the Davis-Bacon Act).

7 “(f) DEFINITIONS.—In this section:

8 “(1) AT OR ABOVE CAPACITY.—The term ‘at or  
9 above capacity’, in reference to a school, means a  
10 school in which 1 additional student would increase  
11 the average class size of the school above the aver-  
12 age class size of all schools in the State in which the  
13 school is located.

14 “(2) HEALTHY, HIGH-PERFORMANCE SCHOOL  
15 BUILDING.—The term ‘healthy, high-performance  
16 school building’ has the meaning given such term in  
17 section 5586.

18 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
19 are authorized to be appropriated to carry out this section  
20 \$250,000,000 for fiscal year 2006, and such sums as may  
21 be necessary for each of the 2 succeeding fiscal years.”.

22 (2) TABLE OF CONTENTS.—The table of con-  
23 tents of the Elementary and Secondary Education  
24 Act of 1965 (20 U.S.C.6301 note) is amended by in-

1       serting after the item relating to section 1120B the  
2       following:

“Sec. 1120C. Grants for school construction and renovation.”.

3       **SEC. 402. SUPPLEMENTAL EDUCATIONAL SERVICES.**

4       Section 1116(e) of the Elementary and Secondary  
5       Education Act of 1965 (20 U.S.C. 6316(e)) is amended—

6               (1) in paragraph (4)—

7                       (A) in subparagraph (B), by striking the  
8                       semicolon and inserting “, including criteria  
9                       that—

10                               “(i) ensure that personnel delivering  
11                               supplemental educational services to stu-  
12                               dents have adequate qualifications; and

13                               “(ii) may, at the State’s discretion,  
14                               ensure that personnel delivering supple-  
15                               mental educational services to students are  
16                               teachers that are highly qualified, as such  
17                               term is defined in section 9101;”;

18                       (B) in subparagraph (D), by striking  
19                       “and” after the semicolon;

20                       (C) in subparagraph (E), by striking the  
21                       period and inserting “; and”; and

22                       (D) by adding at the end the following:

23                               “(F) ensure that the list of approved pro-  
24                               viders of supplemental educational services de-  
25                               scribed in subparagraph (C) includes a choice

1 of providers that have sufficient capacity to pro-  
2 vide effective services for children who are lim-  
3 ited English proficient and children with dis-  
4 abilities.”;

5 (2) in paragraph (5)(C)—

6 (A) by striking “applicable”; and

7 (B) by inserting before the period “, and  
8 acknowledge in writing that, as an approved  
9 provider in the relevant State educational agen-  
10 cy program of providing supplemental edu-  
11 cational services, the provider is deemed to be  
12 a recipient of Federal financial assistance”;

13 (3) by redesignating paragraphs (6), (7), (8),  
14 (9), (10), (11), and (12) as paragraphs (7), (8), (9),  
15 (10), (11), (12), and (13), respectively;

16 (4) by inserting after paragraph (5) the fol-  
17 lowing:

18 “(6) RULE OF CONSTRUCTION.—Nothing in  
19 this section shall be construed to prohibit a local  
20 educational agency from being considered by a State  
21 educational agency as a potential provider of supple-  
22 mental educational services under this subsection, if  
23 such local educational agency meets the criteria  
24 adopted by the State educational agency in accord-  
25 ance with paragraph (5).”;

1           (5) in paragraph (13) (as redesignated by para-  
2 graph (3))—

3           (A) in subparagraph (B)—

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

6           (ii) in clause (iii), by striking “and”  
7 after the semicolon; and

8           (iii) by adding at the end the fol-  
9 lowing:

10           “(iv) may employ teachers who are  
11 highly qualified, as such term is defined in  
12 section 9101; and

13           “(v) pursuant to its inclusion on the  
14 relevant State educational agency’s list de-  
15 scribed in paragraph (4)(C), is deemed to  
16 be a recipient of Federal financial assist-  
17 ance; and”;

18           (B) in subparagraph (C)—

19           (i) in the matter preceding clause (i),  
20 by striking “are”;

21           (ii) in clause (i)—

22           (I) by inserting “are” before “in  
23 addition”; and

24           (II) by striking “and” after the  
25 semicolon;

1 (iii) in clause (ii), by striking the pe-  
2 riod and inserting “; and”;

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

5 “(iii) if provided by providers that are  
6 included on the relevant State educational  
7 agency’s list described in paragraph  
8 (4)(C), shall be deemed to be programs or  
9 activities of the relevant State educational  
10 agency.”;

11 (6) by adding at the end the following:

12 “(14) CIVIL RIGHTS.—In providing supple-  
13 mental educational services under this subsection, no  
14 State educational agency or local educational agency  
15 may, directly or through contractual, licensing, or  
16 other arrangements with a provider of supplemental  
17 educational services, engage in any form of discrimi-  
18 nation prohibited by—

19 “(A) title VI of the Civil Rights Act of  
20 1964;

21 “(B) title IX of the Education Amend-  
22 ments of 1972;

23 “(C) section 504 of the Rehabilitation Act  
24 of 1973;

1           “(D) titles II and III of the Americans  
2 with Disabilities Act;

3           “(E) the Age Discrimination Act of 1975;

4           “(F) regulations promulgated under the  
5 authority of the laws listed in subparagraphs  
6 (A) through (E); or

7           “(G) other Federal civil rights laws.”.

8 **SEC. 403. QUALIFICATIONS FOR TEACHERS AND PARA-**  
9 **PROFESSIONALS.**

10       (a) HIGH OBJECTIVE UNIFORM STATE STANDARD  
11 OF EVALUATION.—Section 1119 of the Elementary and  
12 Secondary Education Act of 1965 (20 U.S.C. 6319) is  
13 amended—

14       (1) in subsection (a)(2)—

15           (A) by redesignating subparagraphs (A)  
16 through (C) as clauses (i) through (iii), respec-  
17 tively, and indenting as appropriate;

18           (B) by striking “(2) STATE PLAN.—As  
19 part” and inserting the following:

20       “(2) STATE PLAN.—

21           “(A) IN GENERAL.—As part”; and

22           (C) by adding at the end the following:

23       “(B) AVAILABILITY OF STATE STAND-  
24 ARDS.—Each State educational agency shall  
25 make available to teachers in the State the high

1 objective uniform State standard of evaluation,  
2 as described in section 9101(23)(C)(ii), for the  
3 purpose of meeting the teacher qualification re-  
4 quirements established under this section.”;

5 (2) by redesignating subsections (e), (f), (g),  
6 (h), (i), (j), (k), and (l) as subsections (f), (g), (h),  
7 (i), (j), (k), (l), and (m), respectively;

8 (3) by inserting after subsection (d) the fol-  
9 lowing:

10 “(e) STATE RESPONSIBILITIES.—Each State edu-  
11 cational agency shall ensure that local educational agen-  
12 cies in the State make available all options described in  
13 subparagraphs (A) through (C) of subsection (c)(1) to  
14 each new or existing paraprofessional for the purpose of  
15 demonstrating the qualifications of the paraprofessional,  
16 consistent with the requirements of this section.”; and

17 (4) in subsection (l) (as redesignated by para-  
18 graph (2)), by striking “subsection (l)” and insert-  
19 ing “subsection (m)”.

20 (b) DEFINITION OF HIGHLY QUALIFIED TEACH-  
21 ERS.—Section 9101(23)(B)(ii) is amended—

22 (1) in subclause (I), by striking “or” after the  
23 semicolon;

24 (2) in subclause (II), by striking “and” after  
25 the semicolon; and

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

2 “(III) in the case of a middle  
3 school teacher, passing a State-ap-  
4 proved middle school generalist exam  
5 when the teacher receives a license to  
6 teach middle school in the State;

7 “(IV) obtaining a State middle  
8 school or secondary school social stud-  
9 ies certificate that qualifies the teach-  
10 er to teach history, geography, eco-  
11 nomics, civics, and government in  
12 middle schools or in secondary  
13 schools, respectively, in the State; or

14 “(V) obtaining a State middle  
15 school or secondary school science cer-  
16 tificate that qualifies the teacher to  
17 teach earth science, biology, chem-  
18 istry, and physics in middle schools or  
19 secondary schools, respectively, in the  
20 State; and”.

21 (c) ENSURING HIGHLY QUALIFIED TEACHERS.—

22 (1) REQUIREMENT.—The Secretary of Edu-  
23 cation shall improve coordination among the teacher  
24 quality programs authorized under the Elementary  
25 and Secondary Education Act of 1965 (20 U.S.C.

1 6301 et seq.), the Individuals with Disabilities Edu-  
2 cation Act (20 U.S.C. 1400 et seq.), the Higher  
3 Education Act of 1965 (20 U.S.C. 1001 et seq.),  
4 and the Carl D. Perkins Vocational and Technical  
5 Education Act of 1998 (20 U.S.C. 2301 et seq.), to  
6 provide a unified effort in strengthening the Amer-  
7 ican teaching workforce and ensuring highly quali-  
8 fied teachers.

9 (2) REPORT.—Not later than 6 months after  
10 the date of enactment of this Act, the Secretary of  
11 Education shall submit a report to the relevant com-  
12 mittees of Congress, that shall be made available on  
13 the website of the Department of Education, on ef-  
14 forts to coordinate programs pursuant to paragraph  
15 (1).

## 16 **Subtitle B—Adequate Yearly** 17 **Progress Determinations**

### 18 **SEC. 421. REVIEW OF ADEQUATE YEARLY PROGRESS DE-** 19 **TERMINATIONS FOR SCHOOLS FOR THE 2002–** 20 **2003 SCHOOL YEAR.**

21 (a) IN GENERAL.—The Secretary shall require each  
22 local educational agency to provide each school served by  
23 the agency with an opportunity to request a review of a  
24 determination by the agency that the school did not make  
25 adequate yearly progress for the 2002–2003 school year.

1 (b) FINAL DETERMINATION.—Not later than 30 days  
2 after receipt of a request by a school for a review under  
3 this section, a local educational agency shall issue and  
4 make publicly available a final determination on whether  
5 the school made adequate yearly progress for the 2002–  
6 2003 school year.

7 (c) EVIDENCE.—In conducting a review under this  
8 section, a local educational agency shall—

9 (1) allow the principal of the school involved to  
10 submit evidence on whether the school made ade-  
11 quate yearly progress for the 2002–2003 school  
12 year; and

13 (2) consider that evidence before making a final  
14 determination under subsection (b).

15 (d) STANDARD OF REVIEW.—In conducting a review  
16 under this section, a local educational agency shall revise,  
17 consistent with the applicable State plan under section  
18 1111 of the Elementary and Secondary Education Act of  
19 1965 (20 U.S.C. 6311), the local educational agency’s  
20 original determination that a school did not make ade-  
21 quate yearly progress for the 2002–2003 school year if  
22 the agency finds that the school made such progress, tak-  
23 ing into consideration—

24 (1) the amendments made to part 200 of title  
25 34, Code of Federal Regulations (68 Fed. Reg.

1 68698) (relating to accountability for the academic  
2 achievement of students with the most significant  
3 cognitive disabilities); or

4 (2) any regulation or guidance that, subsequent  
5 to the date of such original determination, was  
6 issued by the Secretary relating to—

7 (A) the assessment of limited English pro-  
8 ficient children;

9 (B) the inclusion of limited English pro-  
10 ficient children as part of the subgroup de-  
11 scribed in section 1111(b)(2)(C)(v)(II)(dd) of  
12 the Elementary and Secondary Education Act  
13 of 1965 (20 U.S.C. 6311(b)(2)(C)(v)(II)(dd))  
14 after such children have obtained English pro-  
15 ficiency; or

16 (C) any requirement under section  
17 1111(b)(2)(I)(ii) of the Elementary and Sec-  
18 ondary Education Act of 1965 (20 U.S.C.  
19 6311(b)(2)(I)(ii)).

20 (e) EFFECT OF REVISED DETERMINATION.—

21 (1) IN GENERAL.—If pursuant to a review  
22 under this section a local educational agency deter-  
23 mines that a school made adequate yearly progress  
24 for the 2002–2003 school year, upon such deter-  
25 mination—

1           (A) any action by the Secretary, the State  
2 educational agency, or the local educational  
3 agency that was taken because of a prior deter-  
4 mination that the school did not make such  
5 progress shall be terminated; and

6           (B) any obligations or actions required of  
7 the local educational agency or the school be-  
8 cause of the prior determination shall cease to  
9 be required.

10           (2) EXCEPTIONS.—Notwithstanding paragraph  
11 (1), a determination under this section shall not af-  
12 fect any obligation or action required of a local edu-  
13 cational agency or school under the following:

14           (A) Section 1116(b)(13) of the Elementary  
15 and Secondary Education Act of 1965 (20  
16 U.S.C. 6316(b)(13)) (requiring a local edu-  
17 cational agency to continue to permit a child  
18 who transferred to another school under such  
19 section to remain in that school until comple-  
20 tion of the highest grade in the school).

21           (B) Section 1116(e)(9) of the Elementary  
22 and Secondary Education Act of 1965 (as re-  
23 designated by section 402(3)) (20 U.S.C.  
24 6316(e)(9)) (requiring a local educational agen-  
25 cy to continue to provide supplemental edu-

1           cational services under such section until the  
2           end of the school year).

3           (3) SUBSEQUENT DETERMINATIONS.—In deter-  
4           mining whether a school is subject to school im-  
5           provement, corrective action, or restructuring as a  
6           result of not making adequate yearly progress, the  
7           Secretary, a State educational agency, or a local  
8           educational agency may not take into account a de-  
9           termination that the school did not make adequate  
10          yearly progress for the 2002–2003 school year if  
11          such determination was revised under this section  
12          and the school received a final determination of hav-  
13          ing made adequate yearly progress for the 2002–  
14          2003 school year.

15          (f) NOTIFICATION.—The Secretary—

16               (1) shall require each State educational agency  
17               to notify each school served by the agency of the  
18               school’s ability to request a review under this sec-  
19               tion; and

20               (2) not later than 30 days after the date of the  
21               enactment of this section, shall notify the public by  
22               means of the Department of Education’s website of  
23               the review process established under this section.

1 **SEC. 422. REVIEW OF ADEQUATE YEARLY PROGRESS DE-**  
2 **TERMINATIONS FOR LOCAL EDUCATIONAL**  
3 **AGENCIES FOR THE 2002–2003 SCHOOL YEAR.**

4 (a) IN GENERAL.—The Secretary shall require each  
5 State educational agency to provide each local educational  
6 agency in the State with an opportunity to request a re-  
7 view of a determination by the State educational agency  
8 that the local educational agency did not make adequate  
9 yearly progress for the 2002–2003 school year.

10 (b) APPLICATION OF CERTAIN PROVISIONS.—Except  
11 as inconsistent with, or inapplicable to, this section, the  
12 provisions of section 421 shall apply to review by a State  
13 educational agency of a determination described in sub-  
14 section (a) in the same manner and to the same extent  
15 as such provisions apply to review by a local educational  
16 agency of a determination described in section 421(a).

17 **SEC. 423. DEFINITIONS.**

18 In this subtitle:

19 (1) The term “adequate yearly progress” has  
20 the meaning given to that term in section  
21 1111(b)(2)(C) of the Elementary and Secondary  
22 Education Act of 1965 (20 U.S.C. 6311(b)(2)(C)).

23 (2) The term “local educational agency” means  
24 a local educational agency (as that term is defined  
25 in section 9101 of the Elementary and Secondary  
26 Education Act of 1965 (20 U.S.C. 7801)) receiving

1 funds under part A of title I of such Act (20 U.S.C.  
2 6311 et seq.).

3 (3) The term “Secretary” means the Secretary  
4 of Education.

5 (4) The term “school” means an elementary  
6 school or a secondary school (as those terms are de-  
7 fined in section 9101 of the Elementary and Sec-  
8 ondary Education Act of 1965 (20 U.S.C. 7801))  
9 served under part A of title I of such Act (20 U.S.C.  
10 6311 et seq.).

11 (5) The term “State educational agency” means  
12 a State educational agency (as that term is defined  
13 in section 9101 of the Elementary and Secondary  
14 Education Act of 1965 (20 U.S.C. 7801)) receiving  
15 funds under part A of title I of such Act (20 U.S.C.  
16 6311 et seq.).

## 17 **Subtitle C—Technical Assistance**

### 18 **SEC. 451. TECHNICAL ASSISTANCE.**

19 (a) IN GENERAL.—Part F of title IX of the Elemen-  
20 tary and Secondary Education Act of 1965 (20 U.S.C.  
21 7941) is amended—

22 (1) in the part heading, by inserting “**AND**  
23 **TECHNICAL ASSISTANCE**” after “**EVAL-**  
24 **UATIONS**”; and

25 (2) by adding at the end the following:

1 **“SEC. 9602. TECHNICAL ASSISTANCE.**

2       “The Secretary shall ensure that the technical assist-  
 3       ance provided by, and the research developed and dissemi-  
 4       nated through, the Institute of Education Sciences and  
 5       other offices or agencies of the Department provide edu-  
 6       cators and parents with the needed information and sup-  
 7       port for identifying and using educational strategies, pro-  
 8       grams, and practices, including strategies, programs, and  
 9       practices available through the clearinghouses supported  
 10      under the Education Sciences Reform Act of 2002 (20  
 11      U.S.C. 9501 et seq.) and other federally supported clear-  
 12      inghouses, that have been successful in improving edu-  
 13      cational opportunities and achievement for all students.”.

14      (b) TABLE OF CONTENTS.—The table of contents of  
 15      the Elementary and Secondary Education Act of 1965 (20  
 16      U.S.C. 6301 note) is amended by inserting after the item  
 17      relating to section 9601 the following:

“Sec. 9602. Technical assistance.”.

18 **TITLE V—IMPROVING ASSESS-**  
 19 **MENT AND ACCOUNTABILITY**

20 **SEC. 501. GRANTS FOR INCREASING DATA CAPACITY FOR**  
 21 **PURPOSES OF ASSESSMENT AND ACCOUNT-**  
 22 **ABILITY.**

23      (a) PROGRAM AUTHORIZED.—From funds appro-  
 24      priated for a fiscal year, the Secretary may award grants,  
 25      on a competitive basis, to State educational agencies—

1           (1) to enable the State educational agencies to  
2           develop or increase the capacity of data systems for  
3           assessment and accountability purposes, including  
4           the collection of graduation rates; and

5           (2) to award subgrants to increase the capacity  
6           of local educational agencies to upgrade, create, or  
7           manage longitudinal data systems for the purpose of  
8           measuring student academic progress and achieve-  
9           ment.

10          (b) STATE APPLICATION.—Each State educational  
11          agency desiring a grant under this section shall submit  
12          an application to the Secretary at such time, in such man-  
13          ner, and containing such information as the Secretary may  
14          require.

15          (c) STATE USE OF FUNDS.—Each State educational  
16          agency that receives a grant under this section shall use—

17                (1) not more than 20 percent of the grant  
18                funds for the purpose of—

19                    (A) increasing the capacity of, or creating,  
20                    State databases to collect, disaggregate, and re-  
21                    port information related to student achieve-  
22                    ment, enrollment, and graduation rates for as-  
23                    sessment and accountability purposes; and

1 (B) reporting, on an annual basis, for the  
2 elementary schools and secondary schools with-  
3 in the State, on—

4 (i) the enrollment data from the be-  
5 ginning of the academic year;

6 (ii) the enrollment data from the end  
7 of the academic year; and

8 (iii) the twelfth grade graduation  
9 rates; and

10 (2) not less than 80 percent of the grant funds  
11 to award subgrants to local educational agencies  
12 within the State to enable the local educational  
13 agencies to carry out the authorized activities de-  
14 scribed in subsection (e).

15 (d) LOCAL APPLICATION.—Each local educational  
16 agency desiring a subgrant under this section shall submit  
17 an application to the State educational agency at such  
18 time, in such manner, and containing such information as  
19 the State educational agency may require. Each such ap-  
20 plication shall include, at a minimum, a demonstration of  
21 the local educational agency’s ability to put a longitudinal  
22 data system in place.

23 (e) LOCAL AUTHORIZED ACTIVITIES.—Each local  
24 educational agency that receives a subgrant under this  
25 section shall use the subgrant funds to increase the capac-

1 ity of the local educational agency to upgrade or manage  
2 longitudinal data systems consistent with the uses in sub-  
3 section (c)(1), by—

4 (1) purchasing database software or hardware;

5 (2) hiring additional staff for the purpose of  
6 managing such data;

7 (3) providing professional development or addi-  
8 tional training for such staff; and

9 (4) providing professional development or train-  
10 ing for principals and teachers on how to effectively  
11 use such data to implement instructional strategies  
12 to improve student achievement and graduation  
13 rates.

14 (f) DEFINITIONS.—In this section:

15 (1) GRADUATION RATE.—The term “graduation  
16 rate” means the percentage that—

17 (A) the total number of students who—

18 (i) graduate from a secondary school  
19 with a regular diploma (which shall not in-  
20 clude the recognized equivalent of a sec-  
21 ondary school diploma or an alternative de-  
22 gree) in an academic year; and

23 (ii) graduated on time by progressing  
24 1 grade per academic year; represents of

1 (B) the total number of students who en-  
2 tered the secondary school in the entry level  
3 academic year applicable to the graduating stu-  
4 dents.

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

7 (3) STATE EDUCATIONAL AGENCY AND LOCAL  
8 EDUCATIONAL AGENCY.—The terms “State edu-  
9 cational agency” and “local educational agency”  
10 have the meanings given such terms in section 9101  
11 of the Elementary and Secondary Education Act of  
12 1965 (20 U.S.C. 7801).

13 (g) AUTHORIZATION OF APPROPRIATIONS.—There  
14 are authorized to be appropriated to carry out this section  
15 \$100,000,000 for fiscal year 2006, and such sums as may  
16 be necessary for each of the 2 succeeding fiscal years.

17 **SEC. 502. GRANTS FOR ASSESSMENT OF CHILDREN WITH**  
18 **DISABILITIES AND CHILDREN WHO ARE LIM-**  
19 **ITED ENGLISH PROFICIENT.**

20 (a) GRANTS FOR ASSESSMENT OF CHILDREN WITH  
21 DISABILITIES AND CHILDREN WHO ARE LIMITED  
22 ENGLISH PROFICIENT.—Part E of title I of the Elemen-  
23 tary and Secondary Education Act of 1965 (20 U.S.C.  
24 6491 et seq.) is amended by adding at the end the fol-  
25 lowing:

1 **“SEC. 1505. GRANTS FOR ASSESSMENT OF CHILDREN WITH**  
2 **DISABILITIES AND CHILDREN WHO ARE LIM-**  
3 **ITED ENGLISH PROFICIENT.**

4 “(a) GRANTS AUTHORIZED.—From amounts author-  
5 ized to be appropriated under subsection (e) for a fiscal  
6 year, the Secretary shall award grants, on a competitive  
7 basis, to State educational agencies, or to consortia of  
8 State educational agencies, to enable the State educational  
9 agencies or consortia to collaborate with institutions of  
10 higher education, research institutions, or other organiza-  
11 tions—

12 “(1) to design and improve State academic as-  
13 sessments for students who are limited English pro-  
14 ficient and students with disabilities; and

15 “(2) to ensure the most accurate, valid, and re-  
16 liable means to assess academic content standards  
17 and student academic achievement standards for  
18 students who are limited English proficient and stu-  
19 dents with disabilities.

20 “(b) AUTHORIZED ACTIVITIES.—A State educational  
21 agency or consortium that receives a grant under this sec-  
22 tion shall use the grant funds to carry out 1 or more of  
23 the following activities:

24 “(1) Developing alternate assessments for stu-  
25 dents with disabilities, consistent with section 1111  
26 and the amendments made on December 9, 2003, to

1 part 200 of title 34, Code of Federal Regulations  
2 (68 Fed. Reg. 68698) (relating to accountability for  
3 the academic achievement of students with the most  
4 significant cognitive disabilities), including—

5 “(A) the alignment of such assessments, as  
6 appropriate and consistent with such amend-  
7 ments, with—

8 “(i) State student academic achieve-  
9 ment standards and State academic con-  
10 tent standards for all students; or

11 “(ii) alternate State student academic  
12 achievement standards that reflect the in-  
13 tended instructional construct for students  
14 with disabilities;

15 “(B) activities to ensure that such assess-  
16 ments do not reflect the disabilities, or associ-  
17 ated characteristics, of the students that are ex-  
18 traneous to the intent of the measurement;

19 “(C) the development of an implementation  
20 plan for pilot tests for such assessments, in  
21 order to determine the level of appropriateness  
22 and feasibility of full-scale administration; and

23 “(D) activities that provide for the reten-  
24 tion of all feasible standardized features in the  
25 alternate assessments.

1           “(2) Developing alternate assessments that  
2 meet the requirements of section 1111 for students  
3 who are limited English proficient, including—

4           “(A) the alignment of such assessments  
5 with State student academic achievement stand-  
6 ards and State academic content standards for  
7 all students;

8           “(B) the development of parallel native  
9 language assessments or linguistically modified  
10 assessments for limited English proficient stu-  
11 dents that meet the requirements of section  
12 1111(b)(3)(C)(ix)(III);

13           “(C) the development of an implementation  
14 plan for pilot tests for such assessments, in  
15 order to determine the level of appropriateness  
16 and feasibility of full-scale administration; and

17           “(D) activities that provide for the reten-  
18 tion of all feasible standardized features in the  
19 alternate assessments.

20           “(3) Developing, modifying, or revising State  
21 policies and criteria for appropriate accommodations  
22 to ensure the full participation of students who are  
23 limited English proficient and students with disabil-  
24 ities in State academic assessments, including—

1           “(A) developing a plan to ensure that as-  
2           sessments provided with accommodations are  
3           fully included and integrated into the account-  
4           ability system, for the purpose of making the  
5           determinations of adequate yearly progress re-  
6           quired under section 1116;

7           “(B) ensuring the validity, reliability, and  
8           appropriateness of such accommodations, such  
9           as—

10                   “(i) a modification to the presentation  
11                   or format of the assessment;

12                   “(ii) the use of assistive devices;

13                   “(iii) an extension of the time allowed  
14                   for testing;

15                   “(iv) an alteration of the test setting  
16                   or procedures;

17                   “(v) the administration of portions of  
18                   the test in a method appropriate for the  
19                   level of language proficiency of the test  
20                   taker;

21                   “(vi) the use of a glossary or dic-  
22                   tionary; and

23                   “(vii) the use of a linguistically modi-  
24                   fied assessment;

1           “(C) ensuring that State policies and cri-  
2           teria for appropriate accommodations take into  
3           account the form or program of instruction pro-  
4           vided to students, including the level of dif-  
5           ficulty, reliability, cultural difference, and con-  
6           tent equivalence of such form or program;

7           “(D) ensuring that such policies are con-  
8           sistent with the standards prepared by the  
9           Joint Committee on Standards for Educational  
10          and Psychological Testing of the American  
11          Educational Research Association, the Amer-  
12          ican Psychological Association, and the Na-  
13          tional Council on Measurement in Education;  
14          and

15          “(E) developing a plan for providing train-  
16          ing on the use of accommodations to school in-  
17          structional staff, families, students, and other  
18          appropriate parties.

19          “(4) Developing universally designed assess-  
20          ments that can be accessible to all students, includ-  
21          ing—

22                 “(A) examining test item or test perform-  
23                 ance for students with disabilities and students  
24                 who are limited English proficient, to determine

1 the extent to which the test item or test is uni-  
2 versally designed;

3 “(B) using think aloud and cognitive lab-  
4 oratory procedures, as well as item statistics, to  
5 identify test items that may pose particular  
6 problems for students with disabilities or stu-  
7 dents who are limited English proficient;

8 “(C) developing and implementing a plan  
9 to ensure that developers and reviewers of test  
10 items are trained in the principles of universal  
11 design; and

12 “(D) developing computer-based applica-  
13 tions of universal design principles.

14 “(c) APPLICATION.—Each State educational agency,  
15 or consortium of State educational agencies, desiring to  
16 apply for a grant under this section shall submit an appli-  
17 cation to the Secretary at such time, in such manner, and  
18 containing such information as the Secretary may require,  
19 including—

20 “(1) information regarding the institutions of  
21 higher education, research institutions, or other or-  
22 ganizations that are collaborating with the State  
23 educational agency or consortium, in accordance  
24 with subsection (a);

1           “(2) in the case of a consortium of State edu-  
2           cational agencies, the designation of 1 State edu-  
3           cational agency as the fiscal agent for the receipt of  
4           grant funds;

5           “(3) a description of the process and criteria by  
6           which the State educational agency will identify stu-  
7           dents that are unable to participate in general State  
8           content assessments and are eligible to take alter-  
9           nate assessments, consistent with the amendments  
10          made to part 200 of title 34, Code of Federal Regu-  
11          lations (68 Fed. Reg. 68698);

12          “(4) in the case of a State educational agency  
13          or consortium carrying out the activity described in  
14          subsection (b)(1)(A), a description of how the State  
15          educational agency plans to fulfill the requirement of  
16          subsection (b)(1)(A);

17          “(5) in the case of a State educational agency  
18          or consortium carrying out the activities described in  
19          paragraphs (1), (2), and (4) of subsection (b), infor-  
20          mation regarding the proposed techniques for the  
21          development of alternate assessments, including a  
22          description of the technical adequacy of, technical  
23          aspects of, and scoring for such assessments;

24          “(6) a plan for providing training for school in-  
25          structional staff, families, students, and other appro-

1        appropriate parties on the use of alternate assessments;  
2        and

3                “(7) information on how the scores of students  
4        participating in alternate assessments will be re-  
5        ported to the public and to parents.

6        “(d) EVALUATION AND REPORTING REQUIRE-  
7        MENTS.—Each State educational agency receiving a grant  
8        under this section shall submit an annual report to the  
9        Secretary describing the activities carried out under the  
10       grant and the result of such activities, including—

11               “(1) details on the effectiveness of the activities  
12        supported under this section in helping students  
13        with disabilities, or students who are limited English  
14        proficient, better participate in State assessment  
15        programs; and

16               “(2) information on the change in achievement,  
17        if any, of students with disabilities and students who  
18        are limited English proficient, as a result of a more  
19        accurate assessment of such students.

20        “(e) AUTHORIZATION OF APPROPRIATIONS.—There  
21        are authorized to be appropriated to carry out this section  
22        \$50,000,000 for fiscal year 2006, and such sums as may  
23        be necessary for each of the 2 succeeding fiscal years.”.

24        (b) TABLE OF CONTENTS.—The table of contents of  
25        the Elementary and Secondary Education Act of 1965 (20

1 U.S.C. 6301 note) is amended by inserting after the item  
2 relating to section 1504 the following:

“Sec. 1505. Grants for assessment of children with disabilities and children  
who are limited English proficient.”.

3 **SEC. 503. REPORTS ON STUDENT ENROLLMENT AND GRAD-**  
4 **UATION RATES.**

5 (a) STUDENT ENROLLMENT AND GRADUATION  
6 RATES.—Part E of title I of the Elementary and Sec-  
7 ondary Education Act of 1965 (as amended by section  
8 502) (20 U.S.C. 6491 et seq.) is amended by adding at  
9 the end the following:

10 **“SEC. 1506. REPORTS ON STUDENT ENROLLMENT AND**  
11 **GRADUATION RATES.**

12 “(a) IN GENERAL.—The Secretary shall collect from  
13 each State educational agency, local educational agency,  
14 and school, on an annual basis, the following data:

15 “(1) The number of students enrolled in each  
16 of grades 7 through 12 at the beginning of the most  
17 recent school year.

18 “(2) The number of students enrolled in each  
19 of grades 7 through 12 at the end of the most recent  
20 school year.

21 “(3) The graduation rate for the most recent  
22 school year.

1           “(4) The data described in paragraphs (1)  
2           through (3), disaggregated by the groups of students  
3           described in section 1111(b)(2)(C)(v)(II).

4           “(b) ANNUAL REPORT.—The Secretary shall report  
5           the information collected under subsection (a) on an an-  
6           nual basis.”.

7           (b) TABLE OF CONTENTS.—The table of contents of  
8           the Elementary and Secondary Education Act of 1965 (as  
9           amended by section 502(b)) (20 U.S.C. 6301 note) is  
10          amended by inserting after the item relating to section  
11          1505 the following:

          “Sec. 1506. Reports on student enrollment and graduation rates.”.

12       **SEC. 504. CIVIL RIGHTS.**

13          Section 9534 of the Elementary and Secondary Edu-  
14          cation Act of 1965 (20 U.S.C. 7914) is amended—

15               (1) by redesignating subsections (a) and (b) as  
16               subsections (b) and (c), respectively; and

17               (2) by inserting before subsection (b) (as red-  
18               ignated by paragraph (1)) the following:

19          “(a) PROHIBITION OF DISCRIMINATION.—Discrimi-  
20          nation on the basis of race, color, religion, sex (except as  
21          otherwise permitted under title IX of the Education  
22          Amendments of 1972), national origin, or disability in any  
23          program funded under this Act is prohibited.”.

1 **TITLE VI—SENSE OF THE SEN-**  
2 **ATE REGARDING FUNDING**  
3 **FOR ELEMENTARY AND SEC-**  
4 **ONDARY EDUCATION**

5 **SEC. 601. SENSE OF THE SENATE.**

6 (a) FINDINGS.—The Senate finds the following:

7 (1) Congress enacted, with bipartisan support,  
8 and the President signed into law the No Child Left  
9 Behind Act of 2001 (Public Law 107–210; 115 Stat.  
10 1425), that reauthorized the Elementary and Sec-  
11 ondary Education Act of 1965 (20 U.S.C. 6301 et  
12 seq.). The new law required States to set high stand-  
13 ards for learning and required schools to implement  
14 reforms to help improve student achievement. In re-  
15 turn, Congress and the President pledged to make  
16 sure schools would have resources to carry out the  
17 reforms as called for in the new law.

18 (2) \$22,750,000,000 is needed to fund part A  
19 of title I of the Elementary and Secondary Edu-  
20 cation Act of 1965 (20 U.S.C. 6311 et seq.) in fiscal  
21 year 2006, as promised pursuant to the No Child  
22 Left Behind Act of 2001 (Public Law 107–210; 115  
23 Stat. 1425).

24 (3) \$25,000,000,000 is needed to fund part A  
25 of title I of the Elementary and Secondary Edu-

1 cation Act of 1965 (20 U.S.C. 6311 et seq.) in fiscal  
2 year 2007, as promised pursuant to the No Child  
3 Left Behind Act of 2001 (Public Law 107–210; 115  
4 Stat. 1425).

5 (b) SENSE OF THE SENATE.—It is the sense of the  
6 Senate that—

7 (1) it is in the best interest of the Nation that  
8 all students have access to a high-quality elementary  
9 and secondary education; and

10 (2) part A of title I of the Elementary and Sec-  
11 ondary Education Act of 1965 (20 U.S.C. 6311 et  
12 seq.) should be funded as promised pursuant to the  
13 No Child Left Behind Act of 2001 (Public Law  
14 107–210; 115 Stat. 1425).

15 **TITLE VII—PROVIDING A ROAD-**  
16 **MAP FOR FIRST GENERATION**  
17 **COLLEGE FOR STUDENTS**

18 **SEC. 701. EXPANSION OF TRIO AND GEARUP.**

19 The Higher Education Act of 1965 (20 U.S.C. 1001  
20 et seq.) is amended—

21 (1) in section 402A(f), by striking  
22 “\$700,000,000 for fiscal year 1999” and inserting  
23 “\$1,000,000,000 for fiscal year 2006”; and

24 (2) by striking section 404H and inserting the  
25 following:

1 **“SEC. 404H. AUTHORIZATION OF APPROPRIATIONS.**

2 “There are authorized to be appropriated to carry out  
3 this chapter \$400,000,000 for fiscal year 2006 and such  
4 sums as may be necessary for each of the 4 succeeding  
5 fiscal years.”.

6 **TITLE VIII—COLLEGE TUITION**  
7 **RELIEF FOR STUDENTS AND**  
8 **THEIR FAMILIES THROUGH**  
9 **PELL GRANTS**

10 **SEC. 801. PELL GRANTS TAX TABLES HOLD HARMLESS.**

11 Notwithstanding any other provision of law, the an-  
12 nual updates to the allowance for State and other taxes  
13 in the tables used in the Federal Need Analysis Method-  
14 ology to determine a student’s expected family contribu-  
15 tion for the award year 2005–2006 under part F of title  
16 IV of the Higher Education Act of 1965 (20 U.S.C.  
17 1087kk et seq.), published in the Federal Register on  
18 Thursday, December 23, 2004 (69 Fed. Reg. 76926),  
19 shall not apply to a student to the extent the updates will  
20 reduce the amount of Federal student assistance for which  
21 the student is eligible.

22 **SEC. 802. SENSE OF THE SENATE REGARDING INCREASING**  
23 **THE MAXIMUM PELL GRANT.**

24 (a) FINDINGS.—The Senate makes the following  
25 findings:

1           (1) Increasing the percentage of individuals who  
2 obtain a postsecondary education has become in-  
3 creasingly important, not just to the individual bene-  
4 ficiary, but to the Nation as a whole. The growth  
5 and continued expansion of the Nation's economy is  
6 heavily dependent on an educated and highly skilled  
7 workforce.

8           (2) The opportunity to gain a postsecondary  
9 education also is important to the Nation as a  
10 means to help advance the American ideals of  
11 progress and equality.

12           (3) The Federal Government plays an invalu-  
13 able role in making student financial aid available to  
14 ensure that qualified students are able to attend col-  
15 lege, regardless of their financial means. Since the  
16 inception of the Pell Grant program in 1973, nearly  
17 80,000,000 grants have helped low- and middle-in-  
18 come students go to college, enrich their lives, and  
19 become productive members of society.

20           (4) Nationwide, almost 63 percent of secondary  
21 school graduates continue on to higher education im-  
22 mediately after completing secondary school. This  
23 degree of college participation would not exist with-  
24 out the Federal investment in student aid, especially  
25 the Pell Grant program. More than 4,000,000 low-

1 and middle-income students receive Pell Grants; 95  
2 percent of whom have a family income of not more  
3 than \$40,000.

4 (5) In the next 10 years, the number of under-  
5 graduate students enrolled in the Nation's colleges  
6 and universities will increase by 15 percent to more  
7 than 15,000,000 students. Many of these students  
8 will be the first in their families to attend college.  
9 The continued investment in the Pell Grant program  
10 is essential if college is to remain an achievable part  
11 of the American dream.

12 (6) Increasing the maximum Pell Grant to  
13 \$5,100 would allow more than 430,000 additional  
14 students to benefit from the program.

15 (7) Increasing the maximum Pell Grant to  
16 \$5,100 would result in 200,000 new Pell Grant re-  
17 cipients.

18 (8) Pell Grant recipients are more likely to  
19 graduate with student loan debt and to amass more  
20 debt than other student borrowers. Increasing the  
21 maximum Pell Grant to \$5,100 will help remedy this  
22 disparity.

23 (b) SENSE OF THE SENATE.—It is the sense of the  
24 Senate that—

1           (1) the maximum Pell Grant should be in-  
2           creased to \$5,100 during award year 2006–2007;  
3           and

4           (2) the maximum Pell Grant amount set by  
5           Congress should be the amount eligible students re-  
6           ceive.

7 **SEC. 803. ESTABLISHMENT OF A PELL DEMONSTRATION**  
8           **PROGRAM.**

9           (a) FINDINGS.—Congress finds that:

10           (1) A student remains eligible to receive a Fed-  
11           eral Pell Grant as long as the student is income-eli-  
12           gible and has not received a bachelor’s degree.

13           (2) By encouraging persistence and degree ac-  
14           quisition in a timely manner, the Federal Govern-  
15           ment, in effect, saves money—

16           (A) by reducing the courses that do not  
17           lead to a degree; and

18           (B) by helping students get the financial  
19           benefits of a college degree as soon as possible.

20           (b) PELL DEMONSTRATION PROGRAM.—

21           (1) AUTHORIZATION.—The Secretary of Edu-  
22           cation shall establish a demonstration program to fa-  
23           cilitate the ability of low-income students to com-  
24           plete the students’ degree within 150 percent of the  
25           time expected to complete such degree.

1           (2) GRANTS.—The Secretary of Education shall  
2           award competitive grants to institutions of higher  
3           education to enable students who are eligible to re-  
4           ceive Federal Pell Grants under subpart 1 of part A  
5           of title IV of the Higher Education Act of 1965 (20  
6           U.S.C. 1070a et seq.) to enroll in courses in the  
7           summer at such institutions to expedite the stu-  
8           dents' graduation from the institutions.

9           (3) AUTHORIZATION OF APPROPRIATIONS.—  
10          There is authorized to be appropriated to carry out  
11          this subsection \$500,000,000 for the period of fiscal  
12          years 2006 through 2008.

13 **TITLE IX—TUITION FREE COL-**  
14 **LEGE FOR MATHEMATICS,**  
15 **SCIENCE, AND SPECIAL EDU-**  
16 **CATION TEACHERS**

17 **SEC. 901. PURPOSE.**

18          It is the purpose of this title to make public college  
19          tuition free for future mathematics, science, and special  
20          education teachers and to provide additional assistance to  
21          students eligible to receive a Federal Pell Grant under  
22          subpart 1 of part A of title IV of the Higher Education  
23          Act of 1965 (20 U.S.C. 1070a et seq.).

1 **SEC. 902. TUITION FREE COLLEGE FOR MATHEMATICS,**  
2 **SCIENCE, AND SPECIAL EDUCATION TEACH-**  
3 **ERS.**

4 (a) ADDITIONAL AMOUNTS FOR TEACHERS IN MATH-  
5 EMATICS, SCIENCE, AND SPECIAL EDUCATION.—

6 (1) FFEL LOANS.—Section 428J(c)(3) of the  
7 Higher Education Act of 1965 (20 U.S.C. 1078–  
8 10(c)(3)) is amended by striking “\$17,500” and in-  
9 serting “\$23,000”.

10 (2) DIRECT LOANS.—Section 460(c)(3) of the  
11 Higher Education Act of 1965 (20 U.S.C.  
12 1087j(c)(3)) is amended by striking “\$17,500” and  
13 inserting “\$23,000”.

14 (b) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply only with respect to eligible individ-  
16 uals who are new borrowers on or after October 1, 1998.

17 **SEC. 903. OFFSET FOR TUITION FREE COLLEGE FOR MATH-**  
18 **EMATICS, SCIENCE, AND SPECIAL EDU-**  
19 **CATION TEACHERS.**

20 (a) SPECIAL ALLOWANCES.—

21 (1) IN GENERAL.—Section 438(b)(2)(B) of the  
22 Higher Education Act of 1965 (20 U.S.C. 1087–  
23 1(b)(2)(B)) is amended—

24 (A) in clause (iv), by striking “or refunded  
25 after September 30, 2004, and before January  
26 1, 2006,” and inserting “or refunded on or

1 after the date of enactment of the Taxpayer-  
2 Teacher Protection Act of 2004,”; and

3 (B) by striking clause (v) and inserting the  
4 following:

5 “(v) Notwithstanding clauses (i) and  
6 (ii), the quarterly rate of the special allow-  
7 ance shall be the rate determined under  
8 subparagraph (A), (E), (F), (G), (H), or  
9 (I) of this paragraph, or paragraph (4), as  
10 the case may be, for loans—

11 “(I) originated, transferred, or  
12 purchased on or after the date of en-  
13 actment of the Taxpayer-Teacher Pro-  
14 tection Act of 2004;

15 “(II) financed by an obligation  
16 that has matured, been retired, or  
17 defeased on or after the date of enact-  
18 ment of the Taxpayer-Teacher Protec-  
19 tion Act of 2004;

20 “(III) which the special allowance  
21 was determined under such subpara-  
22 graphs or paragraph, as the case may  
23 be, on or after the date of enactment  
24 of the Taxpayer-Teacher Protection  
25 Act of 2004;

1           “(IV) for which the maturity  
2           date of the obligation from which  
3           funds were obtained for such loans  
4           was extended on or after the date of  
5           enactment of the Taxpayer-Teacher  
6           Protection Act of 2004; or

7           “(V) sold or transferred to any  
8           other holder on or after the date of  
9           enactment of the Taxpayer-Teacher  
10          Protection Act of 2004.”.

11           (2) RULE OF CONSTRUCTION.—Nothing in the  
12          amendment made by paragraph (1) shall be con-  
13          strued to abrogate a contractual agreement between  
14          the Federal Government and a student loan pro-  
15          vider.

16          (b) AVAILABLE FUNDS FROM REDUCED EXPENDI-  
17          TURES.—

18           (1) IN GENERAL.—Any funds available to the  
19          Secretary of Education as a result of reduced ex-  
20          penditures under section 438 of the Higher Edu-  
21          cation Act of 1965 (20 U.S.C. 1087–1) secured by  
22          the enactment of subsection (a) shall first be used  
23          by the Secretary for loan cancellation and loan for-  
24          giveness for teachers under sections 428J and 460  
25          of the Higher Education Act of 1965 (20 U.S.C.

1 1078–10, 1087j), as amended by section 902 of this  
2 Act.

3 (2) REMAINING FUNDS.—

4 (A) IN GENERAL.—Any such funds re-  
5 maining after carrying out paragraph (1) shall  
6 be used by the Secretary of Education to make  
7 payments to each nonprofit lender in an  
8 amount that bears the same relation to the re-  
9 maining funds as the amount the nonprofit  
10 lender receives for fiscal year 2005 under sec-  
11 tion 438(b)(2)(B) of the Higher Education Act  
12 of 1965 (20 U.S.C. 1087–1(b)(2)(B)) bears to  
13 the total amount received by nonprofit lenders  
14 for fiscal year 2005 under such section.

15 (B) DEFINITION OF NONPROFIT LEND-  
16 ER.—In this paragraph the term “nonprofit  
17 lender” means an eligible lender (as defined in  
18 section 435(d) of the Higher Education Act of  
19 1965 (20 U.S.C.1085(d)) that—

20 (i) is an organization described in sec-  
21 tion 501(c)(3) of the Internal Revenue  
22 Code of 1986;

23 (ii) is a nonprofit entity as defined by  
24 applicable State law; and

25 (iii) meets the following requirements:

1 (I) The nonprofit lender does not  
2 confer a salary or benefits to any em-  
3 ployee of the nonprofit lender in an  
4 amount that is in excess of the salary  
5 and benefits provided to the Secretary  
6 of Education by the Department of  
7 Education.

8 (II) The nonprofit lender does  
9 not maintain an ongoing relationship  
10 whereby the nonprofit lender passes  
11 on revenue directly or indirectly  
12 through lease, securitization, resale,  
13 or any other financial instrument to a  
14 for-profit entity or to shareholders.

15 (III) The nonprofit lender does  
16 not offer benefits to a borrower in a  
17 manner directly or indirectly predi-  
18 cated on such borrower's participa-  
19 tion—

20 (aa) in a program under  
21 part B or D of title IV of the  
22 Higher Education Act of 1965  
23 (20 U.S.C. 1071 et seq., 1087a  
24 et seq.); or

1 (bb) with any particular  
2 lender.

3 (IV) The nonprofit lender cer-  
4 tifies that the nonprofit lender uses  
5 the payment received pursuant to sub-  
6 paragraph (A) to confer grant or  
7 scholarship benefits to students who  
8 are eligible to receive Federal Pell  
9 Grants under subpart 1 of part A of  
10 title IV of the Higher Education Act  
11 of 1965 (20 U.S.C. 1070a et seq.).

12 (V) The nonprofit lender is sub-  
13 ject to public oversight through either  
14 a State charter, or through not less  
15 than 50 percent of the nonprofit lend-  
16 er's board of directors consisting of  
17 State appointed representatives.

18 (VI) The nonprofit lender does  
19 not engage in the marketing of the  
20 relative value of programs under part  
21 B of title IV of the Higher Education  
22 Act of 1965 as compared to programs  
23 under part D of title IV of the Higher  
24 Education Act of 1965, nor does the  
25 nonprofit lender engage in the mar-

1                   keting of loans or programs offered by  
2                   for-profit lenders. This subclause shall  
3                   not be construed to prohibit the non-  
4                   profit lender from conferring basic in-  
5                   formation on lenders under part B of  
6                   title IV of the Higher Education Act  
7                   of 1965 and the related benefits of-  
8                   fered by such nonprofit lenders.

9   **TITLE X—MAKING COLLEGE AF-**  
10   **FORDABLE FOR ALL STU-**  
11   **DENTS**

12   **SEC. 1001. EXPANSION OF DEDUCTION FOR HIGHER EDU-**  
13                   **CATION EXPENSES.**

14           (a) AMOUNT OF DEDUCTION.—Subsection (b) of sec-  
15   tion 222 of the Internal Revenue Code of 1986 (relating  
16   to deduction for qualified tuition and related expenses) is  
17   amended to read as follows:

18           “(b) LIMITATIONS.—

19                   “(1) DOLLAR LIMITATIONS.—

20                           “(A) IN GENERAL.—Except as provided in  
21                   paragraph (2), the amount allowed as a deduc-  
22                   tion under subsection (a) with respect to the  
23                   taxpayer for any taxable year shall not exceed  
24                   the applicable dollar limit.

1                   “(B) APPLICABLE DOLLAR LIMIT.—The  
 2                   applicable dollar limit for any taxable year shall  
 3                   be determined as follows:

<b>“Taxable year:</b>	<b>Applicable dollar amount:</b>
2005 and 2006 .....	\$6,000
2007 and 2008 .....	\$8,000
2009 and 2010 .....	\$10,000
2011 and thereafter .....	\$12,000.

4                   “(2) LIMITATION BASED ON MODIFIED AD-  
 5                   JUSTED GROSS INCOME.—

6                   “(A) IN GENERAL.—The amount which  
 7                   would (but for this paragraph) be taken into ac-  
 8                   count under subsection (a) shall be reduced  
 9                   (but not below zero) by the amount determined  
 10                  under subparagraph (B).

11                  “(B) AMOUNT OF REDUCTION.—The  
 12                  amount determined under this subparagraph  
 13                  equals the amount which bears the same ratio  
 14                  to the amount which would be so taken into ac-  
 15                  count as—

16                         “(i) the excess of—  
 17                                 “(I) the taxpayer’s modified ad-  
 18                                 justed gross income for such taxable  
 19                                 year, over

20                                 “(II) \$65,000 (\$130,000 in the  
 21                                 case of a joint return), bears to

1                   “(ii) \$15,000 (\$30,000 in the case of  
2                   a joint return).

3                   “(C) MODIFIED ADJUSTED GROSS IN-  
4                   COME.—For purposes of this paragraph, the  
5                   term ‘modified adjusted gross income’ means  
6                   the adjusted gross income of the taxpayer for  
7                   the taxable year determined—

8                   “(i) without regard to this section and  
9                   sections 199, 911, 931, and 933, and

10                   “(ii) after the application of sections  
11                   86, 135, 137, 219, 221, and 469.

12                   For purposes of the sections referred to in  
13                   clause (ii), adjusted gross income shall be deter-  
14                   mined without regard to the deduction allowed  
15                   under this section.

16                   “(D) INFLATION ADJUSTMENTS.—

17                   “(i) IN GENERAL.—In the case of any  
18                   taxable year beginning in a calendar year  
19                   after 2005, both of the dollar amounts in  
20                   subparagraph (B)(i)(II) shall be increased  
21                   by an amount equal to—

22                   “(I) such dollar amount, multi-  
23                   plied by

24                   “(II) the cost-of-living adjust-  
25                   ment determined under section 1(f)(3)

1 for the calendar year in which the tax-  
2 able year begins, by substituting ‘cal-  
3 endar year 2004’ for ‘calendar year  
4 1992’ in subparagraph (B) thereof.

5 “(ii) ROUNDING.—If any amount as  
6 adjusted under clause (i) is not a multiple  
7 of \$50, such amount shall be rounded to  
8 the nearest multiple of \$50.”.

9 (b) QUALIFIED TUITION AND RELATED EXPENSES  
10 OF ELIGIBLE STUDENTS.—

11 (1) IN GENERAL.—Section 222(a) of the Inter-  
12 nal Revenue Code of 1986 (relating to allowance of  
13 deduction) is amended by inserting “of eligible stu-  
14 dents” after “expenses”.

15 (2) DEFINITION OF ELIGIBLE STUDENT.—Sec-  
16 tion 222(d) of such Code (relating to definitions and  
17 special rules) is amended by redesignating para-  
18 graphs (2) through (6) as paragraphs (3) through  
19 (7), respectively, and by inserting after paragraph  
20 (1) the following new paragraph:

21 “(2) ELIGIBLE STUDENT.—The term ‘eligible  
22 student’ has the meaning given such term by section  
23 36(b)(3).”.

24 (c) DEDUCTION MADE PERMANENT.—Title IX of the  
25 Economic Growth and Tax Relief Reconciliation Act of

1 2001 (relating to sunset of provisions of such Act) shall  
2 not apply to the amendments made by section 431 of such  
3 Act.

4 (d) EFFECTIVE DATE.—The amendments made by  
5 this section shall apply to payments made in taxable years  
6 beginning after December 31, 2004.

7 **SEC. 1002. CREDIT FOR INTEREST ON HIGHER EDUCATION**  
8 **LOANS.**

9 (a) IN GENERAL.—Subpart A of part IV of sub-  
10 chapter A of chapter 1 of the Internal Revenue Code of  
11 1986 (relating to nonrefundable personal credits) is  
12 amended by inserting after section 25B the following new  
13 section:

14 **“SEC. 25C. INTEREST ON HIGHER EDUCATION LOANS.**

15 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
16 dividual, there shall be allowed as a credit against the tax  
17 imposed by this chapter for the taxable year an amount  
18 equal to the interest paid by the taxpayer during the tax-  
19 able year on any qualified education loan.

20 “(b) MAXIMUM CREDIT.—

21 “(1) IN GENERAL.—Except as provided in para-  
22 graph (2), the credit allowed by subsection (a) for  
23 the taxable year shall not exceed \$1,500.

24 “(2) LIMITATION BASED ON MODIFIED AD-  
25 JUSTED GROSS INCOME.—

1           “(A) IN GENERAL.—If the modified ad-  
2           justed gross income of the taxpayer for the tax-  
3           able year exceeds \$50,000 (\$100,000 in the  
4           case of a joint return), the amount which would  
5           (but for this paragraph) be allowable as a credit  
6           under this section shall be reduced (but not  
7           below zero) by the amount which bears the  
8           same ratio to the amount which would be so al-  
9           lowable as such excess bears to \$20,000  
10          (\$40,000 in the case of a joint return).

11          “(B) MODIFIED ADJUSTED GROSS IN-  
12          COME.—The term ‘modified adjusted gross in-  
13          come’ means adjusted gross income determined  
14          without regard to sections 199, 222, 911, 931,  
15          and 933.

16          “(C) INFLATION ADJUSTMENT.—In the  
17          case of any taxable year beginning after 2005,  
18          the \$50,000 and \$100,000 amounts referred to  
19          in subparagraph (A) shall be increased by an  
20          amount equal to—

21                 “(i) such dollar amount, multiplied by

22                 “(ii) the cost-of-living adjustment de-  
23                 termined under section 1(f)(3) for the cal-  
24                 endar year in which the taxable year be-  
25                 gins, by substituting ‘2004’ for ‘1992’.

1           “(D) ROUNDING.—If any amount as ad-  
2           justed under subparagraph (C) is not a multiple  
3           of \$50, such amount shall be rounded to the  
4           nearest multiple of \$50.

5           “(c) DEPENDENTS NOT ELIGIBLE FOR CREDIT.—No  
6           credit shall be allowed by this section to an individual for  
7           the taxable year if a deduction under section 151 with re-  
8           spect to such individual is allowed to another taxpayer for  
9           the taxable year beginning in the calendar year in which  
10          such individual’s taxable year begins.

11          “(d) LIMIT ON PERIOD CREDIT ALLOWED.—A credit  
12          shall be allowed under this section only with respect to  
13          interest paid on any qualified education loan during the  
14          first 60 months (whether or not consecutive) in which in-  
15          terest payments are required. For purposes of this para-  
16          graph, any loan and all refinancings of such loan shall be  
17          treated as 1 loan.

18          “(e) DEFINITIONS.—For purposes of this section—

19                  “(1) QUALIFIED EDUCATION LOAN.—The term  
20                  ‘qualified education loan’ has the meaning given  
21                  such term by section 221(d)(1).

22                  “(2) DEPENDENT.—The term ‘dependent’ has  
23                  the meaning given such term by section 152.

24          “(f) SPECIAL RULES.—

1           “(1) DENIAL OF DOUBLE BENEFIT.—No credit  
2 shall be allowed under this section for any amount  
3 taken into account for any deduction under any  
4 other provision of this chapter.

5           “(2) MARRIED COUPLES MUST FILE JOINT RE-  
6 TURN.—If the taxpayer is married at the close of  
7 the taxable year, the credit shall be allowed under  
8 subsection (a) only if the taxpayer and the tax-  
9 payer’s spouse file a joint return for the taxable  
10 year.

11           “(3) MARITAL STATUS.—Marital status shall be  
12 determined in accordance with section 7703.”.

13           (b) CONFORMING AMENDMENT.—The table of sec-  
14 tions for subpart A of part IV of subchapter A of chapter  
15 1 of the Internal Revenue Code of 1986 is amended by  
16 inserting after the item relating to section 25B the fol-  
17 lowing new item:

          “Sec. 25C. Interest on higher education loans.”.

18           (c) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to any qualified education loan (as  
20 defined in section 25C(e)(1) of the Internal Revenue Code  
21 of 1986, as added by this section) incurred on, before, or  
22 after the date of the enactment of this Act, but only with  
23 respect to any loan interest payment due after December  
24 31, 2004.

1 **SEC. 1003. HOPE AND LIFETIME LEARNING CREDITS TO BE**  
2 **REFUNDABLE.**

3 (a) CREDIT TO BE REFUNDABLE.—Section 25A of  
4 the Internal Revenue Code of 1986 (relating to Hope and  
5 Lifetime Learning credits) is hereby moved to subpart C  
6 of part IV of subchapter A of chapter 1 of such Code (re-  
7 lating to refundable credits) and inserted after section 35.

8 (b) TECHNICAL AMENDMENTS.—

9 (1) Section 36 of such Code is redesignated as  
10 section 37.

11 (2) Section 25A of such Code (as moved by  
12 subsection (a)) is redesignated as section 36.

13 (3) Paragraph (1) of section 36(a) of such Code  
14 (as redesignated by paragraph (2)) is amended by  
15 striking “this chapter” and inserting “this subtitle”.

16 (4) Subparagraph (B) of section 72(t)(7) of  
17 such Code is amended by striking “section  
18 25A(g)(2)” and inserting “section 36(g)(2)”.

19 (5) Subparagraph (A) of section 135(d)(2) of  
20 such Code is amended by striking “section 25A” and  
21 inserting “section 36”.

22 (6) Section 221(d) of such Code is amended—

23 (A) by striking “section 25A(g)(2)” in  
24 paragraph (2)(B) and inserting “section  
25 36(g)(2)”,

1 (B) by striking “section 25A(f)(2)” in the  
2 matter following paragraph (2)(B) and insert-  
3 ing “section 36(f)(2)”, and

4 (C) by striking “section 25A(b)(3)” in  
5 paragraph (3) and inserting “section 36(b)(3)”.

6 (7) Section 222 of such Code is amended—

7 (A) by striking “section 25A” in subpara-  
8 graph (A) of subsection (c)(2) and inserting  
9 “section 36”,

10 (B) by striking “section 25A(f)” in sub-  
11 section (d)(1) and inserting “section 36(f)”,  
12 and

13 (C) by striking “section 25A(g)(2)” in sub-  
14 section (d)(1) and inserting “section 36(g)(2)”.

15 (8) Section 529 of such Code is amended—

16 (A) by striking “section 25A(g)(2)” in sub-  
17 clause (I) of subsection (c)(3)(B)(v) and insert-  
18 ing “section 36(g)(2)”,

19 (B) by striking “section 25A” in subclause  
20 (II) of subsection (c)(3)(B)(v) and inserting  
21 “section 36”, and

22 (C) by striking “section 25A(b)(3)” in  
23 clause (i) of subsection (e)(3)(B) and inserting  
24 “section 36(b)(3)”.

25 (9) Section 530 of such Code is amended—

1 (A) by striking “section 25A(g)(2)” in sub-  
2 clause (I) of subsection (d)(2)(C)(i) and insert-  
3 ing “section 36(g)(2)”,

4 (B) by striking “section 25A” in subclause  
5 (II) of subsection (d)(2)(C)(i) and inserting  
6 “section 36”, and

7 (C) by striking “section 25A(g)(2)” in  
8 clause (iii) of subsection (d)(4)(B) and inserting  
9 “section 36(g)(2)”.

10 (10) Subsection (e) of section 6050S of such  
11 Code is amended by striking “section 25A” and in-  
12 serting “section 36”.

13 (11) Subparagraph (J) of section 6213(g)(2) of  
14 such Code is amended by striking “section  
15 25A(g)(1)” and inserting “section 36(g)(1)”.

16 (12) Paragraph (2) of section 1324(b) of title  
17 31, United States Code, is amended by inserting be-  
18 fore the period “or from section 36 of such Code”.

19 (13) The table of sections for subpart C of part  
20 IV of subchapter A of chapter 1 of the Internal Rev-  
21 enue Code of 1986 is amended by striking the item  
22 relating to section 36 and inserting the following:

“Sec. 36. Hope and Lifetime Learning credits.

“Sec. 37. Overpayments of tax.”.

1           (14) The table of sections for subpart A of such  
2           part IV is amended by striking the item relating to  
3           section 25A.

4           (c) EFFECTIVE DATE.—The amendments made by  
5           this section shall apply to taxable years beginning after  
6           December 31, 2004.

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