

The No Child Left Behind Act Summary of the Act

Introduction

The purpose of this document is to provide an overview of the No Child Left Behind Act of 2001 (the NCLB). Given the scope of the NCLB, which is nearly 700 pages long, this document is not intended to accurately reflect all of the nuances of the Act; rather, it is intended to provide a roadmap regarding the NCLB's programs and requirements. Much of the language presented below has been taken from summaries and other materials prepared by the U.S. Department of Education (the Department), and we are continuing to verify and enrich the information to make it most useful and accurate.

Overview of the No Child Left Behind Act (the NCLB)

The NCLB was signed into law on January 8, 2002. The Act amends the Elementary and Secondary Education Act of 1965 (ESEA) and controls the vast majority of federal programs and spending affecting K-12 education, with FY 2003 appropriations totaling approximately \$24 billion. The NCLB contains countless new provisions and requirements, many of which are both vague and untested. A lot will depend on implementation at both the federal and state levels. The Department is working rapidly to produce regulations and policy guidance on key NCLB provisions, and to release grant applications and guidelines.

The most significant changes contained in the NCLB appear in Title I – the main Title of the Act – which governs federal support for high-poverty students and schools. Title I, Part A requires that every state, as a condition of receiving federal funds, establish standards and assessments (in language arts, mathematics, and, ultimately, science), test nearly every student in nearly every grade for purposes of school accountability. Schools, districts, and states that fail to demonstrate “adequate yearly progress” in improving student proficiency and closing achievement gaps face a series of escalating consequences. Title I and other titles of the NCLB also address key federal programs and requirements related to issues such as reading, teacher quality, programs for English language learners (ELL students), school safety, technology, and more. Importantly, the NCLB contains many requirements that have immediate implications.

The following chart provides an overview of the NCLB's key titles, programs, and requirements:

Major Titles	Description of Programs/Provisions	FY 2003 Funding	Allocation Method
I. Improving Achievement of Disadvantaged			
A. Improving Basic Programs Operated by LEAs	<ul style="list-style-type: none"> Title I, Part A is designed to provide districts w/ extra resources to improve instruction in high poverty schools, and to ensure that poor and minority students have the opportunity to achieve high standards. It requires that states set high standards, design assessments aligned w/ those standards, and hold schools accountable for making “adequate yearly progress” in student performance. It also requires detailed school, district, and state report cards; efforts regarding teacher quality; testing of ELL students on English proficiency; and more. This Part includes four major funding mechanisms: (1) Basic Grants to LEAs (\$7.17B); (2) Concentration Grants to LEAs (\$1.37B); Targeted Grants to LEAs (\$1B); and Education Finance Incentive Grants (\$793.5M). The Act also authorizes Local School Improvement Grants. Key manners where 	\$11.7B	<ul style="list-style-type: none"> Funding to states based on four separate Grant formulas. Targeted Grants and Incentive Grants funded for first time and more targeted toward high-poverty schools. States must reserve 2% of Title I funds in 2002-03 and 4% in 2004-07 for grants to LEAs for technical assistance for schools in school improvement, corrective action, etc. LEAs receive allocation based primarily on count of poor children.
	<ul style="list-style-type: none"> <i>State Plans:</i> Each state is required to submit a plan to the Secretary that describes how the state will comply with various requirements regarding the establishment of state academic standards, assessments, accountability systems, school, district, and state report cards, and more (as discussed in the cells below). [§1111] (Each district must in turn submit a plan to the State.) [§1112] 		
	<ul style="list-style-type: none"> <i>Standards and Assessments:</i> Each state is required to adopt challenging academic content and achievement standards that apply to all schools in the areas of language arts, mathematics, and science, and to develop valid assessments aligned with those standards. States are currently required to assess students in language arts and mathematics at least once in grades 3-5, 6-9, and 10-12. In 2007, states will be required to test students in science to the same degree. Moreover, in 2005, states will be required to tests students <i>annually</i> in mathematics and language arts in grades 3-8. (These requirements shall not apply if Congress fails to appropriate funds above a trigger amount to support state efforts, which was \$370M for FY2002.) [§1111] 	\$384M	

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	<ul style="list-style-type: none"> <i>Accountability for "Adequate Yearly Progress" (AYP):</i> Each state is required to establish a single accountability system that requires schools, districts and states to demonstrate AYP in student performance based primarily on state assessments. Each state's starting point for judging AYP is set in 2001-02 at the greater of either the percentage of proficient students in the lowest performing subgroup or the percentage in the school at the 20th percentile statewide. AYP is then based on the annual increase required to raise student proficiency from that initial level to 100% proficiency in 12 years. To demonstrate AYP each school, LEA, and state must demonstrate AYP for students its overall and for each major subgroup, disaggregated by race, ethnicity, poverty, disability, and limited-English proficiency (i.e., each subgroup must perform at a greater percentage proficiency level than the state AYP bar for that year). (There is a fallback for schools that fail to meet AYP for a subgroup(s) if the percentage of students not reaching proficiency decreased by at least 10%). Moreover, to demonstrate AYP, at least 95% of students overall and from each subgroup generally must participate in the assessments. [§1111] 		

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	<ul style="list-style-type: none"> • <i>School Improvement and Corrective Actions:</i> Schools, districts, and States that fail to demonstrate AYP shall receive technical assistance from the LEA and the state (which may be provided through private companies) but also face a series of escalating consequences (w/ one-year delay permitted before Levels 2-4 in extraordinary circumstances). [§1116(b)] (Related provisions apply to LEAs that fail to achieve AYP. [§1116(c)]) <ul style="list-style-type: none"> • <i>Level 1:</i> Schools that fail to achieve AYP for two consecutive years are placed in “<i>school improvement</i>” status; they must develop a school improvement plan, be provided technical assistance from the district, and give students the option to transfer to another public school in the district. • <i>Level 2:</i> Schools that fail to achieve AYP for three consecutive years remain in improvement status, but students now have the option of using their share of federal Title I funds to pay for <i>supplemental education services</i>, which may be provided by state-approved private companies. • <i>Level 3:</i> Schools that fail to achieve AYP for four consecutive years are placed in “<i>corrective action</i>”; public school choice and supplemental services remain, but the school must also make one fundamental change from a list of options, such as replacing staff, instituting a new curriculum, decreasing school management authority, appointing outside experts, etc. • <i>Level 4:</i> Schools that fail to achieve AYP for five consecutive years are placed in “<i>restructuring</i>”; public school choice and supplemental services remain, but the school must <i>plan</i> for “<i>alternative governance</i>” and, after <i>six</i> consecutive years below AYP, be placed under alternative governance, such as reopening as a charter school, <i>contracting with a private management company</i>, etc. • Schools that were in the first year of school improvement under the 1994 law (as identified by the state) were deemed by the NCLB to be in Level 1 above. Schools in the second year of school improvement under the 1994 law were deemed to be in Level 2. Schools that were in corrective action under the 1994 law were deemed to be in Level 3. States are required (for the first time) to report in Fall 2002 on the schools in “improvement” status. [§1116] 		
	<ul style="list-style-type: none"> • <i>School Support and Recognition:</i> States are required to establish a statewide system of rewards and sanctions, including those sanctions mandated for Title I schools and LEAs under Sec. 1116. [§1117] 		

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	<ul style="list-style-type: none"> • <i>Assessments of English Language Proficiency:</i> Each State plan shall demonstrate that, beginning in 2002-03, each district will conduct annual assessments of English proficiency for ELL students. [§1111] [Title III requires that state establish separate accountability systems to demonstrate AYP in English proficiency.] 		
	<ul style="list-style-type: none"> • <i>Annual Report Cards:</i> Beginning Fall 2002, each state and district shall issue annual report cards containing various information (down to the individual school level), disaggregated by major subgroups. Required information includes student proficiency levels, rates of participation on assessments, graduation rates, teacher qualifications, and more. LEAs must also report what schools are under school improvement, corrective action, etc. [§1111] 		
	<ul style="list-style-type: none"> • <i>Qualifications for Teachers and Paraprofessionals:</i> Beginning Fall 2002, all newly hired teachers teaching in a program supported with Title I, Part A funds must be “highly qualified” as defined in the Act. States and LEAs must also develop plans, issue annual reports, and dedicate funds to ensure that by 2005-06 all teachers teaching in core academic subjects are “highly qualified.” Similar requirements apply to new paraprofessionals. Beginning January 2002, all newly hired paraprofessionals working in a program supported with Title I, Part A funds must meet certain quality requirements, and LEAs must ensure that all paraprofessionals are so qualified by 2005. [§1119] 		
	<ul style="list-style-type: none"> • <i>Parental Involvement:</i> Each LEA is required to develop a written parent involvement policy and to reserve funds for parental involvement activities. Each school is required to develop and disseminate a written parent involvement policy, establish mechanisms for parental involvement, establish school-parent compacts, and more. [§1118] 		
	<ul style="list-style-type: none"> • <i>Schoolwide Programs:</i> An LEA may consolidate and use funds together to upgrade the entire educational program of a school that serves an eligible school attendance area in which not less than 40% of the children are from low-income families [reduced from 50% under prior law]. 		

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B. Reading Skills Improvement	<ul style="list-style-type: none"> Title I, Part B consists of four different federal reading programs. <i>Reading First</i>: Creates a new authority (replacing the Reading Excellence Act) to help States and LEAs utilize scientifically based reading research to implement comprehensive reading instruction for children in kindergarten through third grade; most of the funds available to each State will be distributed by formula; States would award subgrants to local communities on a competitive basis. Requires subgrantees to select and administer screening, diagnostic, and classroom-based instructional reading assessments to determine which students in kindergarten through grade 3 are at risk of reading failure. Also requires subgrantees to provide professional development, for teachers of students in kindergarten through grade 3 and special education teachers of students in kindergarten through grade 12, in the essential components of reading instruction. 	\$993.5M	<ul style="list-style-type: none"> Funds are allocated by formula based on States' relative share of low-income children. Subgrants are awarded competitively to eligible LEAs by the SEA, with priority to eligible LEAs with low-income students.
	<ul style="list-style-type: none"> <i>Early Reading First</i>: Authorizes the Secretary to make competitive awards for up to 6 years to support local efforts to enhance the early language, literacy, and pre-reading development of preschool-age children, particularly those from low-income families, through strategies and professional development that are based on scientifically based reading research. Eligible entities include LEAs eligible to receive a subgrant under the Reading First State Grants program <u>and/or</u> one or more public or <i>private organizations</i> located in a community served by an LEA eligible to receive a Reading First State Grants subgrant. 	\$74.5M	<ul style="list-style-type: none"> Competitive awards to eligible entities.
	<ul style="list-style-type: none"> <i>Even Start Family Literacy</i>: This program supports family literacy programs that integrate early childhood education, adult education, parenting education, and literacy activities for low-income families, including parents eligible for services under the Adult Education and Family Literacy Act and their children from birth through age 7. 	\$248.4M	<ul style="list-style-type: none"> Formula allocations are based on each State's current-year share of Title I, Part A funds. SEAs make competitive subgrants to partnerships of LEAs and other organizations, giving priority to proposals that target high-poverty areas.
	<ul style="list-style-type: none"> <i>Literacy through School Libraries</i>: New program authorizing \$250 million to assist schools in providing students with access to: (1) up-to-date school library materials; (2) technologically advanced school library media centers; and (3) professionally certified school library media specialists. 	\$12.4M	<ul style="list-style-type: none"> At appropriations levels below \$100 million, the Secretary makes one-year awards directly to eligible LEAs. At appropriations levels at or above \$100 million, the Secretary makes formula awards based on each State's prior-year share of Title I, Part A. Within State, competitive awards to eligible LEAs.

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C. Migratory Children	<ul style="list-style-type: none"> Retains, without major changes, the current program to provide financial assistance to SEAs to establish and improve programs of education for children of migratory farmworkers and fishers 	\$395.4M	<ul style="list-style-type: none"> Funds are allocated to States through formula on the basis of each State's per-pupil expenditure for education and its count of migratory children SEA provides services directly or through subgrants to local operating agencies, which can be either LEAs or other nonprofit private agencies
D. Neglected or Delinquent Youth	<ul style="list-style-type: none"> Retains, with a few changes, the current program to provide financial assistance to: (1) State educational agencies for educational services to neglected and delinquent children and youth under age 21 in State-run institutions for juveniles and in adult correctional institutions, and (2) local educational agencies for educational services to children and youth in local correctional facilities and to other at-risk populations. 	\$48.7M	<ul style="list-style-type: none"> Funds are allocated to States through a formula based on the number of children in State-operated institutions and per-pupil education expenditures. SEA makes subgrants to each state agency based on its proportionate share of the States adjusted enrollment count of N or D children.
E. National Assessment of Title I	<ul style="list-style-type: none"> Retains major features of current law, including requirements for a National Assessment of Title I, an Independent Review Panel to advise on the conduct of the National Assessment, and a longitudinal evaluation of program effectiveness (This Part also includes funds for Close Up Fellowships (\$1.5M).) 	\$8.84M	<ul style="list-style-type: none"> N/A
F. Comprehensive School Reform	<ul style="list-style-type: none"> Retains, without major changes, the current program to support the development, adoption, and implementation of comprehensive school reforms that are based on reliable research and effective practice and that will improve the academic achievement of children in participating schools. 	\$235.5M	<ul style="list-style-type: none"> Formula based on each State's prior-year share of Title I Basic Grants Competitive awards to LEAs that receive funds under Part A of Title I, with a priority for LEAs planning to use funds in schools in improvement or corrective action under Title I.
G. Advanced Placement Programs	<ul style="list-style-type: none"> Reauthorizes the Advanced Placement Incentive program (currently authorized by the Higher Education Amendments of 1998) as Part G of Title I of the ESEA. The purpose of the program is to increase the number of low-income students participating in Advanced Placement classes and taking Advanced Placement tests. The reauthorization replaced the old formulation with two separate programs – (1) the <i>AP Test Fee Program</i> to help cover the costs of test fees for low-income students, and (2) the <i>AP Incentive Program Grants</i> to support activities designed to increase access to Advanced Placement classes for low-income students. 	\$23.3M	<ul style="list-style-type: none"> Allocations to States under the Test Fee program are based on the number of low-income students in the State in relation to the number of such students in all States. Grants under the Incentive program are competitive. Eligible entities include LEAs and national nonprofits with expertise in AP services.

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H. School Dropout Prevention	<ul style="list-style-type: none"> Authorizes \$125 million for a new program to assist schools with high dropout rates to implement dropout prevention programs. Requires grantees to use funds to implement research-based, sustainable, and coordinated school dropout prevention and reentry programs. Identifies 10 allowable activities, including: professional development; reduction in pupil-teacher ratios; counseling and mentoring for at-risk students; and implementing comprehensive school reform models. 	\$10.9M	<ul style="list-style-type: none"> At appropriations levels of \$75 million or less, authorizes competitive awards to States or LEAs. At appropriations levels greater than \$75 million but less than \$250 million, authorizes competitive awards to States, with the States, in turn, making subgrants to eligible LEAs. At appropriation levels of \$250 million or more, authorizes formula grants to States, with States, in turn, making subgrants to eligible LEAs.
II. High Quality Teachers and Principals			
A. Teacher and Principal Training and Recruitment	<ul style="list-style-type: none"> Authorizes a new State formula grant program that combines the Eisenhower Professional Development State Grants and Class-Size Reduction programs into one program that focuses on preparing, training, and recruiting high-quality teachers and principals. Allows LEAs increased flexibility to allocate funds among professional development, class-size reduction, and other teacher quality activities, without the requirements that are in current law. New State activities include, among others, reforming teacher and principal certification/licensing requirements, alternative routes to State certification, teacher and principal recruitment and retention initiatives, reforming tenure systems, teacher testing, and merit pay. New local activities include, among others, teacher and principal recruitment and retention initiatives, signing bonuses and other financial incentives, teacher and principal mentoring, reforming tenure systems, merit pay, teacher testing, and pay differentiation initiatives. Allows LEAs to use program funds to reduce class size, and does not limit the use of program funds for class-size reduction activities in grades 1 through 3, as current law does. 	\$2.93B	<ul style="list-style-type: none"> Funds are allocated by formula, with each State first receiving its FY 2001 amount for the Eisenhower Professional Development State Grants and Class-Size Reduction programs. Remaining funds are allocated based on child population and poverty rates. Subgrants to LEAs are suballocated by formula. LEAs first receive the amount they received in FY 2001 for the Eisenhower Professional Development State Grants and Class-Size Reduction programs. Remaining funds are allocated based on child population and poverty rates.

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<p>B. Math and Science Partnerships</p>	<ul style="list-style-type: none"> New program authorizing \$450 million for competitive 3-year grants to partnerships for activities to improve the academic achievement of students in the areas of mathematics and science. Eligible partnerships include an SEA (if the Secretary awards the grants); an engineering, math, or science department of an IHE; and a high-need LEA. They may include another engineering, math, science, or teacher training department of an IHE; additional LEAs, public charter schools, or public or private schools; a business; or a nonprofit or <i>for-profit organization</i> of demonstrated effectiveness in improving the quality of math and science teachers. Authorizes grantees to use funds to: (1) develop or redesign more rigorous math and science curricula; (2) provide professional development for teachers designed to improve their subject knowledge; (3) promote strong teaching skills that include those based on scientific research and technology-based teaching methods; (4) operate summer workshops or institutes; (5) recruit math, science, and engineering majors into teaching; (6) establish distance learning programs; (7) design programs to prepare teachers to mentor other teachers; (8) operate programs to bring math and science teachers into contact with working scientists, mathematicians, and engineers; (9) design programs to identify and develop exemplary math and science teachers in grades K-8; and (10) develop programs to encourage young women and other underrepresented groups to pursue careers in math, science, engineering, and technology. 	<p>\$100.3M</p>	<ul style="list-style-type: none"> At appropriation levels below \$100 million, the Secretary makes competitive awards directly to eligible partnerships. At appropriation levels at or above \$100 million, formula allocations to States based on each State's share of children age 5 to 17 from families with incomes below the poverty line, with states making competitive awards to eligible partnerships.
<p>C. Innovation for Teacher Quality</p>	<ul style="list-style-type: none"> <i>Troops for Teachers</i>: Authorizes the funding and administration of the Troops-to-Teachers program, which was previously authorized as part of the National Defense Authorization Act for fiscal year 2000. <i>Transition to Teaching</i>: Authorizes competitive 5-year grants to partnerships and eligible entities to establish programs to recruit and retain highly qualified mid-career professionals and recent college graduates as teachers in high-need schools, including recruiting teachers through alternative routes to certification, and to encourage alternative routes to certification under State-approved programs that enable individuals to be eligible for teacher certification within a reduced period of time. Eligible partnerships include an SEA; a high-need LEA; a nonprofit or <i>for-profit organization</i> that has a proven record of effectively recruiting and retaining highly qualified teachers, in partnership with a high-need LEA or an SEA; an IHE, in partnership with a high-need LEA or an SEA; a regional consortium of SEAs; or a consortium of high-need LEAs. Authorizes funds to be use for a variety of purposes. Requires program participants to teach in high-need schools. 	<p>\$28.8M</p>	<ul style="list-style-type: none"> Authorizes the Secretary to award program funds to SEAs, IHEs, or consortia of those entities Competitive award to eligible participants.

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	<ul style="list-style-type: none"> <i>Teacher Liability Protection</i>: Limits financial liability of teachers for harm they may cause acting on behalf of the school in disciplining students or maintaining classroom order. Extends protections to teachers, administrators, school professionals, nonprofessional employees responsible for maintaining discipline and safety, and individual school board members. 	N/A	<ul style="list-style-type: none"> N/A
D. Enhancing Education through Technology	<ul style="list-style-type: none"> <i>State and Local Technology Grants</i>: Consolidates the current Technology Literacy Challenge Fund (TLCF) and Technology Innovation Challenge Grant programs into a single State formula grant program to support the integration of educational technology into classrooms to improve teaching and learning. Requires each State to award half of the amount available for LEAs through a formula based on Title I shares and half through a competitive process. Currently, States award the entire amount available for LEAs through a competitive process. Requires LEAs to make competitive awards to high-need LEAs or partnerships that include a high-need LEA and at least one entity, including <i>for-profit businesses</i> that can assist the high-need LEA to integrate technology effectively into classroom instruction. Requires each LEA receiving formula funds to use at least 25 percent of its formula allocation for high-quality professional development activities to prepare teachers to integrate technology into instruction. (The current statute does not have a similar requirement.) Allows States to exempt from this requirement an LEA that can demonstrate that it already provides high-quality professional development in the integration of technology into instruction. 	\$695.9M	<ul style="list-style-type: none"> Formula allocations based on each State's current-year share of Title I, Part A funds. Requires States to award one-half of the amount available for LEAs by formula based on each LEA's prior-year share of Title I, Part A. States must use the remaining funds for competitive awards to high-need LEAs or partnerships that include high-need LEAs.
III. Language Instruction for ELL Students			
A. English Language Acquisition	<ul style="list-style-type: none"> Consolidates the 13 current bilingual and immigrant education programs into a State formula program and significantly increases flexibility and accountability. (Most of the consolidation is accomplished only if the appropriation is at least \$650 million. If not, then Title III, Part B (below) goes into effect.) Maintains the current focus on assisting school districts in teaching English to limited English proficient students and in helping these students meet the same challenging State standards required of all other students. 	\$685.5M	<ul style="list-style-type: none"> If the appropriation exceeds \$650 million, authorizes formula awards to States based on the State's share of LEP and recent immigrant students. States make competitive subgrants to LEAs. If a State does not apply, the Secretary makes competitive awards directly to districts. States can reserve up to 15 % for districts that have experienced significant increases in immigrant students or that have limited experience serving immigrant students.

Major Titles	Description of Programs/Provisions	FY 2003 Funding	Allocation Method
B. Improving ELL Programs	<ul style="list-style-type: none"> This subpart only goes into effect if Title III, Part A (above) is not in effect b/c the trigger appropriation of \$650M was not met. In that case, this subpart continues to authorize three discretionary grant programs for instructional services, three support services programs, four professional development programs, and Immigrant Education formula grants. These programs are similar to those in the previous law. 	N/A	
IV. 21st Century Schools			
A. Safe and Drug-Free Schools	<ul style="list-style-type: none"> Retains, with some changes, State formula grants and national discretionary activities for drug and violence prevention. Requires local prevention programs to meet principles of effectiveness. Requires LEAs that receive SDFSC funds to have a plan for keeping schools safe and drug-free that includes appropriate and effective discipline policies, security procedures, prevention activities, a student code of conduct, and a crisis management plan for responding to violent or traumatic incidents on school grounds. Retains the 20 percent cap on the amount of SDFSC funds LEAs may spend for school security-related activities, but doubles this cap to 40 percent for funds used to hire and train school security personnel. Establishes some new grant programs to LEAs for mentoring, alcohol reduction, etc. Requires (in Title IX General Provisions) States to allow students who attend a persistently dangerous school, or who become a victim of a violent crime at school, to transfer to a safe school; requires States to report on school safety to the public; and requires school districts to implement drug and violence prevention programs of demonstrated effectiveness. 	\$468.9M	<ul style="list-style-type: none"> State grant allocations are based 50 percent on the Title I concentration grants formula and 50 percent on population, with a hold-harmless to ensure that no State receives less in 2002 or future years than it received in 2001. Governors may elect to receive up to 20 percent of their State's allocation; remainder goes to the SEA. SEA allocations to LEAs are based 60 percent on Title I basic and concentration grants, and 40 percent on enrollment. Some discretionary grants from Secretary to LEAs
B. 21st Century Community Learning Centers	<ul style="list-style-type: none"> The purpose of the program is to provide academic enrichment activities to students, particularly students who attend low-performing schools, to help them meet State and local standards. To ensure that centers operate high-quality programs, local grantees are required to develop programs that meet specified principles of effectiveness. The reauthorized 21st Century Community Learning Centers program will: (1) allocate funds to States by formula; (2) target funds to schools with the greatest need; and (3) require centers to provide academic enrichment activities. Allows community-based organizations (which would include faith-based organizations) and other public or <i>private entities</i>, in addition to local educational agencies, to compete for program funds. 	\$993.5B	<ul style="list-style-type: none"> Formula based on each State's prior-year share of Title I, Part A. Competitive awards to eligible entities.

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C. Environmental Tobacco Smoke	<ul style="list-style-type: none"> Prohibits smoking in any indoor facility, or part thereof, used for kindergarten, elementary, or secondary education or library services to children. 	N/A	<ul style="list-style-type: none"> N/A
V. School Choice and Innovative Programs			
A. Innovative Programs	<ul style="list-style-type: none"> Retains, with a few changes, the previous Title VI Innovative Education State Grants program that provides flexible funds to States and LEAs for innovative educational programs. Adds a host of new allowable SEA and LEA activities, such as support of charter schools, professional development, etc. 	\$387.5M	<ul style="list-style-type: none"> Funds are allocated by formula based on States' relative share of the school-age population. States must allocate at least 85 % of their funds to LEAs based on the relative enrollments in public and private schools, adjusted to account for high-cost students.
B. Public Charter Schools	<ul style="list-style-type: none"> <i>Charter Schools Program:</i> Retains, with a few changes, the Charter Schools grants program that awards grants to State educational agencies (SEAs) and charter schools to support the planning, design, and initial implementation of charter schools. Authorizes a new <i>Per-Pupil Facilities Aid Grants</i> program of competitive 5-year grants to States with already established per-pupil aid programs to assist charter schools with their school facility costs. These State programs must be specified in State law and provide annual funding on a per-pupil basis for charter school facilities; the financing must include, or be dedicated solely for, the funding of facilities. Federal funds may be used to match funds for State per-pupil facility aid programs. The Federal share of funds decreases each year (from 90 percent in the first year to 20 percent in year 5) and phases out entirely after 5 years. 	\$198.7M	<ul style="list-style-type: none"> Authorizes the first \$200 million for the regular Charter School Grant program and the next \$100 million for the Per-Pupil Facilities grants. At appropriations levels above \$300 million, funds are evenly divided. For Charter Schools Program, competitive grants to SEAs that have the authority, under the law, to approve charter schools. SEAs, in turn, make competitive grants to charter schools. If SEA chooses not to compete, charter schools in the State may apply directly to the Secretary. For Per-Pupil Facilities Aid Program – Competitive awards to SEAs that, in turn, make formula grants to charter schools on a per-pupil basis.
	<ul style="list-style-type: none"> <i>Credit Enhancement to Assist Charter School Facilities:</i> Authorizes grants for innovative credit enhancement initiatives to help charter schools with the cost of acquiring, constructing, and renovating facilities. The language is almost identical to the Charter Schools Facilities Financing Demonstration program authorized in the 2001 appropriations act. Eligible entities include private, non-profit, organizations; governmental entities; and consortia of these two types of entities. 	\$24.8M	<ul style="list-style-type: none"> Awarded competitively to eligible entities. Requires Department to award at least three grants (unless funding is insufficient), with at least one grant each to the three types of eligible entities as long as the Department receives sufficient applications. Grant recipients identify charter schools to benefit from leveraged grant funds.

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	<ul style="list-style-type: none"> <i>Voluntary Public School Choice:</i> Authorizes competitive awards of up to 5 years to establish or expand programs that provide students and parents with greater public school choice. Grantees may use up to one year for planning or program design. Eligible entities include SEAs, LEAs, or partnerships that include at least one SEA or LEA working in cooperation with public, for-profit, or non-profit entities. Authorizes grantees to use program funds to: (1) plan the public school choice program; (2) make tuition transfer payments to the schools that students choose to attend; (3) increase the capacity of high-demand schools to serve greater numbers of students (except that program funds cannot be used for school construction); (4) carry out public information campaigns to inform parents and students about public school choice opportunities; and (5) pay other costs reasonably necessary to implement a public school choice program. Requires grantees to provide participating students with transportation, or pay transportation costs, to their school of choice. Student participation in each program must be voluntary. Also requires that, when more students apply to participate in the program than can be accommodated, grantees must select students to participate on the basis of a lottery. 	\$25.8M	<ul style="list-style-type: none"> Competitive awards to eligible entities.
C. Magnet Schools	<ul style="list-style-type: none"> Retains the current Magnet Schools Assistance program, which provides grants to establish and operate magnet schools in local educational agencies that are under a court ordered or federally-approved voluntary desegregation plan to eliminate, reduce, or prevent minority group isolation in elementary and secondary schools. 	\$109.3M	<ul style="list-style-type: none"> Competitive grants to LEAs or consortia of LEAs with court-ordered or federally approved voluntary desegregation plans.
D. Fund for Improvement of Education	<ul style="list-style-type: none"> The Fund for the Improvement of Education (FIE) supports various programs, including activities to promote systemic education reform at the State and local levels, recognition programs, scientifically based studies and evaluations of education reform strategies, activities to support Scholar-Athlete Games, programs to promote voter participation in American elections, <i>demonstrations of the effectiveness of school district or school contracts with private management organizations to reform schools</i>, and other programs that meet the purposes of the Act. 		<ul style="list-style-type: none"> Discretionary grants.

Major Titles	Description of Programs/Provisions	FY 2003 Funding	Allocation Method
	<ul style="list-style-type: none"> This Part also establishes or reauthorizes a series of specific programs, including: (1) the Elementary and Secondary School Counseling Programs; (2) Partnerships in Character Education; (3) Smaller Learning Communities; (4) Reading is Fundamental; (5) Gifted and Talented Students; (6) Star Schools; (7) Ready to Teach; (8) Foreign Language Assistance Program; (9) Carol White Physical Education Program; (10) Community Technology Centers; (11) Excellence in Economic Education; (12) Grants to Improve Mental Health in Children; (13) Arts in Education; (14) Parental Assistance and Local Family Information Centers; (15) Combating Domestic Violence; (16) Healthy, High-Performance Schools; (17) Women’s Educational Equity Act; and more. 	Varying amounts	<ul style="list-style-type: none"> Varying methods.
VI. Flexibility and Accountability			
A. Improving Academic Achievement [Flexibility]	<ul style="list-style-type: none"> Establishes three related flexibility efforts as well as authorizing \$490M in grants to assist states in developing and improving the quality of assessments required in Title I, Part A. 		
	<ul style="list-style-type: none"> <i>Funding Transferability for SEAs/LEAs:</i> Allows States and LEAs to transfer up to 50% of administration or other funds under select programs to supplement its allocation under any of those same programs or to carry out Title I, Part A requirements. Identified programs include Teacher Quality State Grants, Educational Technology State Grants, Innovative Programs, Safe and Drug-Free Schools, and more. Specific restrictions apply for LEAs identified as in need of improvement or corrective action. 	N/A	<ul style="list-style-type: none"> N/A
	<ul style="list-style-type: none"> <i>State and Local Flexibility Demonstration:</i> Authorizes the Secretary to provide up to 7 States with the authority to consolidate the entire amount available for State-level activities and State administration under various identified programs. Within a State-Flex State, at least 4 and up to 10 LEAs also receive the authority to consolidate their formula allocations under certain Federal programs. These LEAs are subject to the same requirements as LEAs participating in the Local Flexibility Demonstration Program described below, except that they enter into performance agreements with their SEAs rather than the Secretary. 	N/A	<ul style="list-style-type: none"> N/A
	<ul style="list-style-type: none"> <i>Local Flexibility Demonstration:</i> Authorizes the Secretary to enter into performance agreements with up to 80 LEAs to enable them to consolidate funds received by formula under the: (1) Teacher Quality State Grants; (2) Educational Technology State Grants; (3) Innovative Programs; and (4) Safe and Drug-Free Schools programs. 	N/A	<ul style="list-style-type: none"> N/A

Major Titles	Description of Programs/Provisions	FY 2003 Funding	Allocation Method
B. Rural Education Initiative	<ul style="list-style-type: none"> • <i>Small, Rural School Achievement Program</i>: Retains the current program (renamed) that provides additional formula funds and flexibility in the use of certain Federal funds to small rural districts. • <i>Rural and Low-Income School Program</i>: Creates a new program to provide additional funds to rural districts that: (1) are ineligible to participate in the Small, Rural School Achievement program; and (2) serve concentrations of poor students. • Appropriations are to be divided equally between the two programs. 	\$167.7M	<ul style="list-style-type: none"> • Small, Rural: Formula to LEAs • Rural, Low-Income: Formula to State; participating States have the option to allocate funds to LEAs through formula or competitive process
VII. Indian, Hawaiian Native, and Alaska Native Education			
A. Indian Education	<ul style="list-style-type: none"> • Retains, with a few changes, current programs to address the educational needs of Native American children, including formula grants to LEAs, discretionary grants, and national activities for research, evaluation, and data collection. 	\$121.6M	<ul style="list-style-type: none"> • Formula and competitive grants
B. Native Hawaiian Education	<ul style="list-style-type: none"> • Consolidates current programs that address the educational needs of Native Hawaiians 	\$30.8M	<ul style="list-style-type: none"> • Competitive grants
C. Alaska Native Education	<ul style="list-style-type: none"> • Retains, with some changes, the current program that addresses the educational and cultural needs of Alaskan Natives. Adds earmarking of funds to certain entities in Alaska. 	\$30.8M	<ul style="list-style-type: none"> • Competitive grants
VIII. Impact Aid	<ul style="list-style-type: none"> • Reauthorizes the Impact Aid program, which provides financial assistance to local educational agencies (LEAs) affected by Federal activities, such as with regard to military students. 	\$1.19B	<ul style="list-style-type: none"> • Formula and competitive grants
IX. General Provisions	<ul style="list-style-type: none"> • In general, this Title addresses additional statutory and administrative issues, including definitions, flexibility provisions relating use of administrative funds, consolidated state application requirements, Secretarial waivers, uniform provisions, and limitations on the Federal role in education. 	N/A	

Major Titles	Description of Programs/Provisions	FY 2003 Funding	Allocation Method
X. Repeals, Redesignations, and Amendments to Other Statutes	<ul style="list-style-type: none"> Potentially important here are the Amendments to Other Statutes, specifically with regard to Part C (Homeless Education) and Part E (Higher Education Act amendments, which establish a new teacher technology initiative) 		
	<ul style="list-style-type: none"> <i>Education for Homeless Children and Youth</i>: Retains, with some changes, the current program to provide grants to States to help ensure that homeless children and youth have access to the same free and appropriate public education, including preschool education, as other children and youth. Prohibits states that receive McKinney-Vento funds from segregating homeless students, except for short periods of time for health and safety emergencies or to provide temporary, special, supplementary services. Requires an LEA (at the request of the parent or guardian) to provide, or arrange for, transportation to the homeless child's school of origin when that school is within the LEA. When the school of origin is in a different LEA from the LEA where the homeless child is living, requires both LEAs to agree on a method for sharing transportation responsibility and costs. 		<ul style="list-style-type: none"> Formula grants to States Requires that subgrants to LEAs be awarded competitively
	<ul style="list-style-type: none"> <i>Preparing Tomorrow's Teachers to Use Technology</i>: Amends Title II of the Higher Education Act of 1965 to authorize grants, contracts, and competitive agreements to consortia for carrying out programs that prepare prospective teachers to use technology to improve student learning, and programs that improve the ability of institutions of higher education to carry out such programs. Funds are awarded only to consortia that include at least one institution of higher education, one State or local educational agency, and one other entity. 	\$62M	<ul style="list-style-type: none"> Competitive grants