

.....
(Original Signature of Member)

113TH CONGRESS
1ST SESSION

H. R. _____

To reauthorize the impact aid program under the Elementary and Secondary
Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

Mrs. NOEM introduced the following bill; which was referred to the Committee
on _____

A BILL

To reauthorize the impact aid program under the Elementary
and Secondary Education Act of 1965.

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 “Local Taxpayer Relief
5 Act”.

6 **SEC. 2. MAKING PERMANENT THE AMENDMENTS MADE BY**
7 **THE IMPACT AID IMPROVEMENT ACT OF 2012.**

8 Subsection (c) of the Impact Aid Improvement Act
9 of 2012 (20 U.S.C. 6301 note) is amended—

1 (1) by striking paragraphs (1) and (4); and
2 (2) by redesignating paragraphs (2) and (3) as
3 paragraphs (1) and (2), respectively.

4 **SEC. 3. PURPOSE.**

5 Section 8001 (20 U.S.C. 7701) is amended, in the
6 matter preceding paragraph (1), by striking “challenging
7 State standards” and inserting “college and career ready
8 State academic content and student academic achievement
9 standards under section 1111(a)(1)”.

10 **SEC. 4. PAYMENTS RELATING TO FEDERAL ACQUISITION**
11 **OF REAL PROPERTY.**

12 (a) AMENDMENTS.—Section 8002 of the Elementary
13 and Secondary Education Act of 1965 (20 U.S.C. 7702)
14 is amended—

15 (1) in subsection (f), by striking paragraphs (4)
16 and (5);

17 (2) by striking subsection (g) and inserting the
18 following:

19 “(g) FORMER DISTRICTS.—

20 “(1) CONSOLIDATIONS.—For fiscal year 2006
21 and all succeeding fiscal years, if a local educational
22 agency described in paragraph (2) is formed at any
23 time after 1938 by the consolidation of 2 or more
24 former school districts, the local educational agency
25 may elect to have the Secretary determine its eligi-

1 bility and any amount for which the local edu-
2 cational agency is eligible under this section for any
3 fiscal year on the basis of one or more of those
4 former districts, as designated by the local edu-
5 cational agency.

6 “(2) ELIGIBLE LOCAL EDUCATIONAL AGEN-
7 CIES.—A local educational agency referred to in
8 paragraph (1) is—

9 “(A) any local educational agency that, for
10 fiscal year 1994 or any preceding fiscal year,
11 applied, and was determined to be eligible
12 under, section 2(c) of the Act of September 20,
13 1950 (Public Law 874, 81st Congress), as that
14 section was in effect for that fiscal year; or

15 “(B) a local educational agency formed by
16 the consolidation of 2 or more districts, at least
17 1 of which was eligible for assistance under this
18 section for the fiscal year preceding the year of
19 the consolidation, if—

20 “(i) for fiscal years 2006 through
21 2013, the local educational had notified the
22 Secretary of the designation not later than
23 30 days after the date of enactment of the
24 Local Taxpayer Relief Act; and

1 “(ii) for fiscal year 2014 and any sub-
2 sequent fiscal year, the local educational
3 agency includes the designation in its ap-
4 plication under section 8005 or any timely
5 amendment to such application.

6 “(3) AVAILABILITY OF FUNDS.—Notwith-
7 standing any other provision of law limiting the pe-
8 riod during which the Secretary may obligate funds
9 appropriated for any fiscal year after 2005, the Sec-
10 retary may obligate funds remaining after final pay-
11 ments have been made from any of such fiscal years
12 to carry out this subsection.”;

13 (3) by striking subsections (k) and (m); and

14 (4) by redesignating subsections (l) and (n) as
15 subsections (j) and (k), respectively.

16 (b) EFFECTIVE DATE.—Notwithstanding the date of
17 enactment of this Act, the amendments made by this sec-
18 tion shall apply to applications submitted for fiscal year
19 2010 and all succeeding fiscal years.

20 **SEC. 5. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED**
21 **CHILDREN.**

22 Section 8003 of that Act (20 U.S.C. 7703) is amend-
23 ed—

24 (1) in subsection (a)—

1 (A) in paragraph (1), in the matter pre-
2 ceding subparagraph (A), by inserting after
3 “such agency,” the following: “including those
4 children enrolled in a State that has a State
5 open enrollment policy (but not including those
6 children enrolled in a distance learning program
7 not residing within the defined boundaries of
8 the agency),”; and

9 (B) in paragraph (5)(A), by striking “to
10 be” and all the follows through “situated” and
11 inserting the following: “or under lease of off-
12 base property under subchapter IV of chapter
13 169 of title 10, United States Code, to be chil-
14 dren described under paragraph (1)(B) if the
15 property described is within the fenced security
16 perimeter of the military facility or attached to
17 and under any type of force protection agree-
18 ment with the military installation upon which
19 such housing is situated.”;

20 (2) in subsection (b)(2)—

21 (A) in subparagraph (B)—

22 (i) in the subparagraph heading by
23 striking “CONTINUING”;

24 (ii) by amending clause (i) to read as
25 follows:

1 “(i) IN GENERAL.—A heavily im-
2 pacted local educational agency is eligible
3 to receive a basic support payment under
4 subparagraph (A) with respect to a num-
5 ber of children determined under sub-
6 section (a)(1) if the agency—

7 “(I) is a local educational agency
8 whose boundaries are the same as a
9 Federal military installation or the
10 boundaries are the same as island
11 property designated by the Secretary
12 of the Interior to be property that is
13 held in trust by the Federal Govern-
14 ment and the agency has no taxing
15 authority;

16 “(II) is a local educational agen-
17 cy—

18 “(aa) that has an enrollment
19 of children described in sub-
20 section (a)(1) that constitutes a
21 percentage of the total student
22 enrollment of the agency that is
23 not less than 45 percent;

24 “(bb) that has a per-pupil
25 expenditure that is less than—

1 “(AA) for an agency
2 that has a total student en-
3 rollment of 500 or more stu-
4 dents, 125 percent of the av-
5 erage per-pupil expenditure
6 of the State in which the
7 agency is located; or

8 “(BB) for an agency
9 that has a total student en-
10 rollment of less than 500,
11 150 percent of the average
12 per-pupil expenditure of the
13 State in which the agency is
14 located, or the average per
15 pupil expenditure of 3 or
16 more comparable local edu-
17 cational agencies in the
18 State in which the agency is
19 located; and

20 “(cc) that is an agency
21 that—

22 “(AA) has a tax rate
23 for general fund purposes
24 that is at least 95 percent of
25 the average tax rate for gen-

1 eral fund purposes of com-
2 parable local educational
3 agencies in the State; or

4 “(BB) was eligible to
5 receive a payment under this
6 subsection for fiscal year
7 2013 and is located in a
8 State that by State law has
9 eliminated ad valorem tax as
10 a revenue source for local
11 educational agencies;

12 “(III) is a local educational agen-
13 cy that has a total student enrollment
14 of not less than 25,000 students, of
15 which not less than 50 percent are
16 children described in subsection (a)(1)
17 and not less than 5,500 of such chil-
18 dren are children described in sub-
19 paragraphs (A) and (B) of subsection
20 (a)(1); or

21 “(IV) is a local educational agen-
22 cy that was eligible for and received a
23 payment under this paragraph in fis-
24 cal year 2012 and—

1 “(aa) has an enrollment of
2 children described in subsection
3 (a)(1) that constitutes a percent-
4 age of the total student enroll-
5 ment of the agency that is not
6 less than 20 percent;

7 “(bb) for the 3 fiscal years
8 preceding the fiscal year for
9 which the determination is made,
10 the average enrollment of chil-
11 dren who are not described in
12 subsection (a)(1) and who are eli-
13 gible for a free or reduced price
14 lunch under the Richard B. Rus-
15 sell National School Lunch Act
16 constitutes a percentage of the
17 total student enrollment of the
18 agency that is not less than 65
19 percent; and

20 “(cc) has a tax rate for gen-
21 eral fund purposes which is not
22 less than 1.25 percent of the av-
23 erage tax rate for general fund
24 purposes for comparable local

1 educational agencies in the
2 State.”;

3 (iii) by amending clause (ii) to read as
4 follows:

5 “(ii) LOSS OF ELIGIBILITY.—

6 “(I) IN GENERAL.—Subject to
7 subclause (II), a heavily impacted
8 local educational agency that met the
9 requirements of clause (i) for a fiscal
10 year shall be ineligible to receive a
11 basic support payment under subpara-
12 graph (A) if the agency fails to meet
13 the requirements of clause (i) for a
14 subsequent fiscal year, except that
15 such agency shall continue to receive
16 a basic support payment under this
17 paragraph for the fiscal year for
18 which the ineligibility determination is
19 made.

20 “(II) EXCEPTION.—For a local
21 educational agency that is eligible
22 under subparagraph (A) but whose
23 tax rate for general fund purposes
24 falls below 95 percent of the average
25 tax rate for general fund purposes of

1 local educational agencies in the State
2 for two consecutive years shall lose its
3 eligibility and be subject to subclause
4 (I).”;

5 (iv) by amending clause (iii) to read
6 as follows:

7 “(iii) APPLICATION.—With respect to
8 the first year for which a heavily impacted
9 local educational agency described in
10 clause (i) applies for a basic support pay-
11 ment under subparagraph (A), or with re-
12 spect to the first fiscal year for which a
13 heavily impacted local educational agency
14 applies for a basic support payment under
15 subparagraph (A) after becoming ineligible
16 under clause (i) for 1 or more preceding
17 fiscal years, the agency shall apply for
18 such payment at least 1 year prior to the
19 start of that fiscal year.”; and

20 (v) by adding at the end the following
21 new clause:

22 “(iv) SPECIAL RULE.—Notwith-
23 standing clause (i)(II), a local educational
24 agency shall be considered eligible to re-
25 ceive a basic support payment under sub-

1 paragraph (A) with respect to the number
2 of children determined under subsection
3 (a)(1) if the agency—

4 “(I) has an enrollment of chil-
5 dren described in subsection (a)(1),
6 including, for purposes of determining
7 eligibility, those children described in
8 subparagraphs (F) and (G) of such
9 subsection, that constitutes a percent-
10 age of the total student enrollment of
11 the agency that is not less than 35
12 percent; and

13 “(II) was eligible to receive as-
14 sistance under subsection (b)(2) for
15 fiscal year 2001.”;

16 (B) by amending subparagraph (C) to read
17 as follows:

18 “(C) MAXIMUM AMOUNT FOR HEAVILY IM-
19 PACTED LOCAL EDUCATIONAL AGENCIES.—

20 “(i) IN GENERAL.—The maximum
21 amount that a heavily impacted local edu-
22 cational agency is eligible to receive under
23 this paragraph for any fiscal year is the
24 sum of the total weighted student units, as
25 computed under subsection (a)(2) and sub-

1 ject to clause (ii), multiplied by the greater
2 of—

3 “(I) four-fifths of the average
4 per-pupil expenditure of the State in
5 which the local educational agency is
6 located for the third fiscal year pre-
7 ceding the fiscal year for which the
8 determination is made; or

9 “(II) four-fifths of the average
10 per-pupil expenditure of all of the
11 States for the third fiscal year pre-
12 ceding the fiscal year for which the
13 determination is made.

14 “(ii) SPECIAL RULE.—(I)(aa) For a
15 local educational agency with respect to
16 which 35 percent or more of the total stu-
17 dent enrollment of the schools of the agen-
18 cy are children described in subparagraph
19 (D) or (E) (or a combination thereof) of
20 subsection (a)(1), and has an enrollment of
21 children described in subparagraph (A),
22 (B), or (C) of such subsection equal to at
23 least 10 percent of the agency’s total en-
24 rollment, the Secretary shall calculate the
25 weighted student units of those children

1 described in subparagraph (D) or (E) of
2 such subsection by multiplying the number
3 of such children by a factor of 0.55.

4 “(bb) For any local educational agen-
5 cy that received a payment under this
6 clause in fiscal year 2012, the local edu-
7 cational agency shall not be required to
8 have an enrollment of children described in
9 subparagraph (A), (B), or (C) of such sub-
10 section equal to at least 10 percent of the
11 agency’s total enrollment.

12 “(II) For a local educational agency
13 that has an enrollment of 100 or fewer
14 children described in subsection (a)(1), the
15 Secretary shall calculate the total number
16 of weighted student units for purposes of
17 subsection (a)(2) by multiplying the num-
18 ber of such children by a factor of 1.75.

19 “(III) For a local educational agency
20 that does not qualify under subparagraph
21 (B)(i)(I) of this subsection and has an en-
22 rollment of more than 100 but not more
23 than 1,000 children described in subsection
24 (a)(1), the Secretary shall calculate the
25 total number of weighted student units for

1 purposes of subsection (a)(2) by multi-
2 plying the number of such children by a
3 factor of 1.25.”;

4 (C) by amending subparagraph (D) to read
5 as follows:

6 “(D) MAXIMUM AMOUNT FOR LARGE
7 HEAVILY IMPACTED LOCAL EDUCATIONAL
8 AGENCIES.—(i)(I) Subject to clause (ii), the
9 maximum amount that a heavily impacted local
10 educational agency described in subclause (II)
11 is eligible to receive under this paragraph for
12 any fiscal year shall be determined in accord-
13 ance with the formula described in paragraph
14 (1)(C).

15 “(II) A heavily impacted local educational
16 agency described in this subclause is a local
17 educational agency that has a total student en-
18 rollment of not less than 25,000 students, of
19 which not less than 50 percent are children de-
20 scribed in subsection (a)(1) and not less than
21 5,500 of such children are children described in
22 subparagraphs (A) and (B) of subsection
23 (a)(1).

24 “(ii) For purposes of calculating the max-
25 imum amount described in clause (i), the factor

1 used in determining the weighted student units
2 under subsection (a)(2) with respect to children
3 described in subparagraphs (A) and (B) of sub-
4 section (a)(1) shall be 1.35.”;

5 (D) by striking subparagraph (E);

6 (E) by redesignating subparagraph (F) as
7 subparagraph (E);

8 (F) in subparagraph (E) (as so redesign-
9 nated by subparagraph (G))—

10 (i) by striking clause (ii);

11 (ii) by striking “; and” at the end of
12 clause (i) and inserting a period; and

13 (iii) by striking “the Secretary” and
14 all that follows through “shall use” and in-
15 serting “the Secretary shall use”;

16 (G) by redesignating subparagraph (G) as
17 subparagraph (F);

18 (H) in subparagraph (F) (as so redesign-
19 nated by subparagraph (I), in the matter pre-
20 ceding clause (i), by striking “(C)(i)(II)(bb)”
21 and inserting “(B)(i)(II)(bb)(BB)”;

22 (I) by redesignating subparagraph (H) as
23 subparagraph (G); and

24 (J) in subparagraph (G) (as so redesign-
25 nated by subparagraph (K))—

1 (i) in clause (i)—

2 (I) by striking “(B), (C), (D). or
3 (E),” and inserting “(B), (C), or
4 (D),”;

5 (II) by striking “by reason of”
6 and inserting “due to”;

7 (III) by inserting after “clause
8 (iii),” the following: “or as the direct
9 result of base realignment and closure
10 or modularization as determined by
11 the Secretary of Defense and force
12 structure change or force relocation,”;
13 and

14 (IV) by inserting before the pe-
15 riod at the end the following: “or dur-
16 ing such time as activities associated
17 with base closure and realignment,
18 modularization, force structure
19 change, or force relocation is ongo-
20 ing”;

21 (ii) in clause (ii), by striking “(D) or
22 (E)” in both places such term appears and
23 inserting “(C) or (D)”;

24 (3) in subsection (b)(3)(B)—

1 (A) by redesignating clause (iv) as clause
2 (v); and

3 (B) by inserting after clause (iii) the fol-
4 lowing:

5 “(iv) For any local educational agency
6 that is providing a program of distant
7 learning to children not residing within the
8 legally defined boundaries of the agency,
9 the Secretary shall disregard such children
10 from such agency’s total enrollment when
11 calculating the percentage under subclause
12 (I) of clause (i) and shall disregard any
13 funds received for such children when cal-
14 culating the total current expenditures at-
15 tributed to the operation of such agency
16 when calculating the percentage under sub-
17 clause (II) of clause (i).”;

18 (4) in subsection (b)(3)(C), by striking “or (E)
19 of paragraph (2), as the case may be” and inserting
20 “of paragraph (2)”;

21 (5) by amending subsection (b)(3)(D) to read
22 as follows:

23 “(D) RATABLE DISTRIBUTION.—For any
24 fiscal year described in subparagraph (A) for
25 which the sums available exceed the amount re-

1 quired to pay each local educational agency 100
2 percent of its threshold payment the Secretary
3 shall distribute the excess sums to each eligible
4 local educational agency that has not received
5 its full amount computed under paragraph (1)
6 or (2) (as the case may be) by multiplying—

7 “(i) a percentage, the denominator of
8 which is the difference between the full
9 amount computed under paragraph (1) or
10 (2) (as the case may be) for all local edu-
11 cational agencies and the amount of the
12 threshold payment as calculated under sub-
13 paragraphs (B) and (C) of all local edu-
14 cational agencies, and the numerator of
15 which is the aggregate amount of the ex-
16 cess sums by—

17 “(ii) the difference between the full
18 amount computed under paragraph (1) or
19 (2) (as the case may be) for the agency
20 and the amount of the threshold payment
21 as calculated under subparagraphs (B) and
22 (C) of the agency.”;

23 (6) in subsection (c), by amending paragraph
24 (2) to read as follows:

1 “(2) EXCEPTION.—Calculation of payments for
2 a local educational agency shall be based on data
3 from the fiscal year for which the agency is making
4 an application for payment if such agency—

5 “(A) is newly established by a State, for
6 the first year of operation of such agency only;

7 “(B) was eligible to receive a payment
8 under this section for the previous fiscal year
9 and has had an overall increase in enrollment
10 (as determined by the Secretary in consultation
11 with the Secretary of Defense, the Secretary of
12 Interior or other Federal agencies)—

13 “(i) of not less than 10 percent, or
14 100 students, of children described in—

15 “(I) subparagraph (A), (B), (C),
16 or (D) of subsection (a)(1); or

17 “(II) subparagraph (F) or (G) of
18 subsection (a)(1), but only to the ex-
19 tent such children are civilian depend-
20 ents of employees of the Department
21 of Defense or the Department of Inte-
22 rior; and

23 “(ii) that is the direct result of closure
24 or realignment of military installations
25 under the base closure process or the relo-

1 cation of members of the Armed Forces
2 and civilian employees of the Department
3 of Defense as part of force structure
4 changes or movements of units or per-
5 sonnel between military installations or be-
6 cause of actions initiated by the Secretary
7 of Interior or head of another Federal
8 agency; and

9 “(C) was eligible to receive a payment
10 under this section for the previous fiscal year
11 and has had an overall increase in enrollment
12 (as determined by the Secretary)—

13 “(i) of not less than 10 percent, or
14 100 students, of children described in sub-
15 section (a)(1); and

16 “(ii) that is the direct result of the
17 closure of a local educational agency that
18 received a payment under subsection (b)(1)
19 or (b)(2) in the previous fiscal year.”;

20 (7) by amending subsection (e) to read as fol-
21 lows:

22 “(e) HOLD HARMLESS.—

23 “(1) IN GENERAL.—Subject to paragraph (2)
24 the total amount the Secretary shall pay a local edu-
25 cation agency under subsection (b)—

1 “(A) for fiscal year 2014 shall not be less
2 than 95percent of the total amount that the
3 local educational agency received under sub-
4 section (b)(1), (b)(2) or (b)(2)(B)(ii) for fiscal
5 year 2013;

6 “(B) for fiscal year 2015 shall not be less
7 than 90 percent of the total amount that the
8 local educational agency received under sub-
9 section (b)(1), (b)(2) or (b)(2)(B)(ii) for fiscal
10 year 2013; and

11 “(C) for fiscal year 2016 shall not be less
12 than 85 percent of the total amount that the
13 local educational agency received under sub-
14 section (b)(1), (b)(2) or (b)(2)(B)(ii) for fiscal
15 year 2013.

16 “(2) MAXIMUM PAYMENT.—The total amount
17 provided to a local educational agency under sub-
18 paragraph (A), (B), or (C) of paragraph (1) for a
19 fiscal year shall not exceed the maximum basic sup-
20 port amount for such agency determined under
21 paragraph (1) or (2) of subsection (b), as the case
22 may be.

23 “(3) RATABLE REDUCTION.—

24 “(A) IN GENERAL.—If the sums made
25 available under this title for any fiscal year are

1 insufficient to pay the full amounts that all
2 local educational agencies in all States are eligi-
3 ble to receive under paragraph (1) for such
4 year, then the Secretary shall ratably reduce
5 the payments to all such agencies for such year.

6 “(B) ADDITIONAL FUNDS.—If additional
7 funds become available for making payments
8 under paragraph (1) for such fiscal year, pay-
9 ments that were reduced under subparagraph
10 (A) shall be increased on the same basis as
11 such payments were reduced.”; and
12 (8) by striking subsection (g).

13 **SEC. 6. APPLICATION FOR PAYMENTS UNDER SECTIONS**
14 **8002 AND 8003.**

15 Section 8005 of that Act (20 U.S.C. 7705) is amend-
16 ed by adding at the end the following:

17 “(e) STUDENT COUNT.—For the purpose of meeting
18 the requirements of section 222.35 of the Code of the Fed-
19 eral Regulations, the Secretary shall establish a third op-
20 tion for an applicant when counting its federally connected
21 children by using the date established by the applicant to
22 register the students of such applicant for the fiscal year
23 for which the application is filed.”.

1 **SEC. 7. CONSTRUCTION.**

2 Section 8007 of that Act (20 U.S.C. 7707) is amend-
3 ed—

4 (1) in subsection (a)—

5 (A) in paragraph (1), by striking “40 per-
6 cent” and inserting “80 percent”;

7 (B) in paragraph (2) by adding at the end
8 the following:

9 “(C) The agency is eligible under section
10 8003(b)(2) or is receiving a basic support pay-
11 ment under circumstances described in section
12 8003(b)(2)(B)(ii).”; and

13 (C) by striking paragraph (3) and insert-
14 ing the following:

15 “(3) AMOUNT OF PAYMENTS.—

16 “(A) LOCAL EDUCATION AGENCIES IM-
17 PACTED BY MILITARY DEPENDENT CHIL-
18 DREN.—The amount of a payment to each local
19 educational agency described in this subsection
20 that is impacted by military dependent children
21 for a fiscal year shall be equal to—

22 “(i)(I) 40 percent of the amount ap-
23 propriated under section 8014(e) for such
24 fiscal year; divided by

25 “(II) the number of children described
26 in subparagraphs (B) and (D)(i) of section

1 (8003)(a)(1) who were in average daily at-
2 tendance for all local educational agencies
3 described in paragraph (2), including the
4 number of children attending a school fa-
5 cility described in section 8008(a) if the
6 Secretary does not provide assistance for
7 the school facility under that section for
8 the fiscal year; multiplied by
9 “(ii) the number of children deter-
10 mined for such agency;
11 “(I) but not less than \$25,000,
12 except that this subparagraph shall
13 not apply if the amount available to
14 carry out paragraph (1) for such fis-
15 cal year is less than \$32,000,000; and
16 “(II) not more than \$4,000,000.
17 “(B) LOCAL EDUCATIONAL AGENCIES IM-
18 PACTED BY CHILDREN WHO RESIDE ON INDIAN
19 LANDS.—The amount of a payment to each
20 local educational agency described in the sub-
21 section that is impacted by children who reside
22 on Indian lands for a fiscal year shall be equal
23 to—

1 “(i)(I) 40 percent of the amount ap-
2 propriated under section 8014(e) for such
3 fiscal year; divided by

4 “(II) the number of children described
5 in section 8003(a)(1)(C) who were in aver-
6 age daily attendance for all local edu-
7 cational agencies described in paragraph
8 (2); multiplied by

9 “(ii) the number of children deter-
10 mined for such agency;

11 “(I) but not less than \$25,000,
12 except that this subparagraph shall
13 not apply if the amount available to
14 carry out paragraph (1) for such fis-
15 cal year is less than \$32,000,000; and

16 “(II) not more than \$4,000,
17 000.”; and

18 (2) in subsection (b)—

19 (A) in paragraph (1), in the matter pre-
20 ceding subparagraph (A), by striking “60 per-
21 cent” and inserting “20 percent”;

22 (B) in paragraph (3)(A), in the matter
23 preceding clause (i), by inserting after “an
24 emergency grant under paragraph (2)(A)” the

1 following: “if the agency is covered by para-
2 graph (7), or”;

3 (C) in paragraph (3)(C)(i)(I), by striking
4 “the agency meets at least one” and all that
5 follows through the period at the end and in-
6 serting “the number of children determined
7 under section 8003(a)(1)(C) for the agency for
8 the preceding school year constituted at least
9 40 percent of the total student enrollment in
10 the schools of the agency during the preceding
11 school year.”;

12 (D) by striking paragraph (3)(D)(ii)(II)
13 and inserting the following:

14 “(II) The number of children de-
15 termined under section 8003(a)(1)(C)
16 for the school for the preceding school
17 year constituted at least 40 percent of
18 the total student enrollment in the
19 school during the preceding school
20 year.”;

21 (E) in paragraph (4)(C), by striking “(A),
22 (B), (C), and (D)” and inserting “(A) and
23 (C)”;

24 (F) by redesignating paragraph (7) as
25 paragraph (8); and

1 (G) by inserting after paragraph (6) the
2 following:

3 “(7) SPECIAL RULE.—Notwithstanding para-
4 graphs (3)(C)(i)(I) and (3)(D)(ii)(II), a local edu-
5 cational agency is eligible to receive a grant under
6 this subsection not to exceed \$4,000,000 in any one
7 fiscal year if such agency—

8 “(A) was eligible to receive a payment
9 under section 8003 for the fiscal year prior to
10 the year for which the application is made; and

11 “(B) has had an overall increase in enroll-
12 ment—

13 “(i) during the period between the end
14 of the school year preceding the fiscal year
15 for which the application is made and the
16 beginning of the school year immediately
17 preceding that school year;

18 “(ii) of not less than 250 students or
19 10 percent (whichever is lower), are chil-
20 dren described in—

21 “(I) subparagraph (A), (B), (C),
22 or (D) of section 8003(a)(1); or

23 “(II) subparagraph (F) or (G) of
24 section 8003(a)(1), but only to the ex-
25 tent such children are civilian depend-

1 ents of employees of the Department
2 of Defense; and

3 “(iii) that is the direct result of one or
4 more of the following:

5 “(I) Base realignment and clo-
6 sure or global rebasing, as determined
7 by the Secretary of Defense.

8 “(II) Force structure changes or
9 force reductions.

10 “(III) An action initiated by the
11 Secretary of Interior or head of an-
12 other Federal agency.”.

13 **SEC. 8. STATE CONSIDERATION OF PAYMENTS IN PRO-**
14 **VIDING STATE AID.**

15 Section 8009 of that Act (20 U.S.C. 7709) is amend-
16 ed—

17 (1) in subsection (b)(1), by inserting before the
18 period at the end the following: “and for which the
19 average per pupil expenditure is equal to or greater
20 than the average per pupil expenditure of all the
21 States in the third fiscal year preceding the fiscal
22 year for which the State is applying for equalization
23 under the section”;

24 (2) by amending subsection (b)(2) to read as
25 follows:

1 “(2) COMPUTATION.—

2 “(A) STATE CURRENTLY QUALIFYING.—

3 “(i) IN GENERAL.—For purposes of
4 paragraph (1), a program of State aid for
5 any State qualifying under this section for
6 fiscal year 2006 equalizes expenditures
7 among local educational agencies if, in the
8 second fiscal year preceding the fiscal year
9 for which the determination is made the
10 amount of per-pupil expenditures made by,
11 or per-pupil revenues available to, the local
12 educational agency in the State with the
13 highest such per-pupil expenditures or rev-
14 enues did not exceed the amount of such
15 per-pupil expenditures made by, or per-
16 pupil revenues available to, the local edu-
17 cational agency in the State with the low-
18 est such expenditures or revenues by more
19 than 25 percent as calculated under clause
20 (ii).

21 “(B) OTHER FACTORS.—Notwithstanding
22 regulations in effect prior to the enactment of
23 this subparagraph, in making a determination
24 under this subparagraph, the Secretary shall—

1 “(i) arrange all local educational
2 agencies in the State by per-pupil expendi-
3 tures or revenues in descending order from
4 the highest to the lowest;

5 “(ii) using per-pupil expenditures or
6 revenues as the only criteria disregard
7 those local educational agencies that are
8 spending above the 95th percentile and
9 those spending below the 5th percentile;

10 “(iii) identify the local educational
11 agency at the 95th percentile and the local
12 educational agency at the 5th percentile;

13 “(iv) subtract the amount of per-pupil
14 expenditures or revenues of the local edu-
15 cational agency at the 5th percentile from
16 the amount of per-pupil expenditures or
17 revenues of the local educational agency at
18 the 95th percentile and divide the dif-
19 ference by the per-pupil expenditures or
20 revenues of the local educational agency at
21 the 5th percentile; and

22 “(v) take into account the extent to
23 which a program of State aid reflects the
24 additional cost of providing free public
25 education in particular types of local edu-

1 cational agencies such as those that are
2 geographically isolated, or to particular
3 types of students, such as children with
4 disabilities.

5 “(C) NEW STATES APPLICANTS.—

6 “(i) IN GENERAL.—For purposes of
7 paragraph (1), a program of State aid for
8 any State equalizing under this section
9 after fiscal year 2006 equalizes expendi-
10 tures among local educational agencies if,
11 in the second fiscal year preceding the fis-
12 cal year for which the determination is
13 made, the amount of per-pupil expendi-
14 tures made by, or per pupil revenues avail-
15 able to, the local educational agency in the
16 State with the highest such per-pupil ex-
17 penditures or revenues did not exceed the
18 amount of such per-pupil expenditures
19 made by, or per-pupil revenues available
20 to, the local educational agency in the
21 State with the lowest such expenditures or
22 revenues by more than 10 percent as cal-
23 culated under clause (ii).

24 “(ii) OTHER FACTORS.—In making a
25 determination under this subparagraph,

1 the Secretary notwithstanding regulations
2 in use prior to the enactment of this Act
3 shall—

4 “(I) arrange all local educational
5 agencies in the State by per pupil ex-
6 penditures or revenues in descending
7 order from the highest to the lowest;

8 “(II) using per-pupil expendi-
9 tures or revenues as the only criteria
10 disregard those local educational
11 agencies that are spending above the
12 95th percentile and those spending
13 below the 5th percentile;

14 “(III) identify the local edu-
15 cational agency at the 95th percentile
16 and the local educational agency at
17 the 5th percentile;

18 “(IV) subtract the amount of
19 per-pupil expenditures or revenues of
20 the local educational agency at the
21 5th percentile from the amount of
22 per-pupil expenditures or revenues of
23 the local educational agency at the
24 95th percentile and divide the dif-
25 ference by the per-pupil expenditures

1 or revenues of the local educational
2 agency at the 5th percentile; and

3 “(V) take into account the extent
4 to which a program of State aid re-
5 flects the additional cost of providing
6 free public education in particular
7 types of local educational agencies,
8 such as those that are geographically
9 isolated, or to particular types of stu-
10 dents, such as children with disabil-
11 ities.”; and

12 (3) in subsection (d)(2)—

13 (A) by striking “A State” and inserting
14 the following:

15 “(A) IN GENERAL.—A State”; and

16 (B) by adding at the end of the following:

17 “(B) STATES THAT ARE NOT EQUALIZED
18 STATES.—A State that has not been approved
19 as an equalized State under subsection (b) shall
20 not consider funds received under section 8002
21 or section 8003 of this title in any State for-
22 mula or place a limit or direct the use of such
23 funds or consider such funds.”.

1 **SEC. 9. DEFINITIONS.**

2 Section 8013 of that Act (20 U.S.C. 7713) is amend-
3 ed—

4 (1) in paragraph (1) by striking “and Marine
5 Corps” and inserting “Marine Corps, and Coast
6 Guard”;

7 (2) in paragraph (4)—

8 (A) in the first sentence thereof, by strik-
9 ing “part (A) of title I and title VI” and insert-
10 ing “title I and part A of title V”; and

11 (B) in the second sentence, by striking “be
12 determined” and inserting “be made”;

13 (3) in paragraph (5)(A)(iii)—

14 (A) by amending subclause (II) to read as
15 follows:

16 “(II) used to provide housing for
17 homeless children at closed military
18 installations pursuant to section 501
19 of the McKinney-Vento Homeless As-
20 sistance Act (42 U.S.C. 11411);”;

21 (B) by amending subclause (III) to read as
22 follows:

23 “(III) used for affordable hous-
24 ing assisted under the Native Amer-
25 ican Housing Assistance and Self-De-

1 termination Act of 1996 (25 U.S.C.
2 4101 et.seq.); or”;

3 (4) in paragraph (5)(A), by adding at the end
4 the following:

5 “(VI) exempt of taxation real
6 property and personal property identi-
7 fied by a local governmental entity, in-
8 cluding State government, if upon
9 such property resides a child whose
10 parents or guardians are certified to
11 live on such property is considered to
12 meet the eligibility requirements of
13 section 151.4 of part 150 of sub-
14 chapter H of title 25, Code of Federal
15 Regulations; or”;

16 (5) in paragraph (8)(A), by inserting commas
17 before and after “and verified by”; and

18 (6) in paragraph (9)—

19 (A) by amending subparagraph (A) to read
20 as follows:

21 “(A) IN GENERAL.—Except as provided in
22 subparagraph (C), the term ‘local educational
23 agency’—

24 “(i) means a board of education or
25 other legally constituted local school au-

1 thority having administrative control and
2 direction of free public education in a
3 county, township, independent school dis-
4 trict, or other school district; and

5 “(ii) includes any State agency that
6 directly operates and maintains facilities
7 for providing free public education; that
8 except for those local educational agencies
9 determined to be eligible to receive a pay-
10 ment under section 8003 prior to the date
11 of the enactment of the Local Taxpayer
12 Relief Act, when submitting an application
13 under this title for the first time on or
14 after the date of the enactment of such
15 Act, has the authority to tax and has
16 boundaries as defined by applicable State
17 law for the purposes of levying such taxes,
18 or has been granted the authority to re-
19 ceive an imputed tax from a city, county,
20 township, or other general purpose political
21 subdivision of a State.”; and

22 (B) in subparagraph (B), by inserting a
23 comma after “Secretary determines”.

1 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 8014 of that Act (20 U.S.C. 7714) is amend-
3 ed—

4 (1) in subsection (a) by striking “\$32,000,000
5 for fiscal year 2000” and inserting “\$63,445,221
6 fiscal year 2014”;

7 (2) in subsection (b) by striking “\$809,400,000
8 fiscal year 2000” and inserting “\$1,093,203,000 for
9 fiscal year 2014”;

10 (3) in subsection (c) by striking “\$50,000,000
11 for fiscal year 2000” and inserting “\$45,880,825 for
12 fiscal year 2014”;

13 (4) by redesignating subsection (e) as sub-
14 section (d);

15 (5) in subsection (d) (as so redesignated by
16 paragraph (4), by striking “\$10,052,000” and all
17 that follows through “and such sums” and inserting
18 “\$16,528,637 for fiscal year 2014”;

19 (6) by redesignating subsection (f) as sub-
20 section (e);

21 (7) in subsection (e) (as so designated by para-
22 graph (6)), by striking “\$5,000,000 for fiscal year
23 2000” and inserting “\$4,591,393 for fiscal year
24 2014”; and

25 (8) by adding at the end of the following:

1 “(f) ALLOCATION OF DOLLARS FROM PREVIOUS FIS-
2 CAL YEARS.—When final payments are made for a fiscal
3 year the Secretary shall add any remaining funds to those
4 funds appropriated for such section for the next fiscal year
5 for the purpose of making payments subject to the provi-
6 sions of the applicable section.”.

7 **SEC. 11. ADDITIONAL AND CONFORMING AMENDMENTS.**

8 (a) SUBPART 20 OF PART D OF TITLE V.—Subpart
9 15 (20 U.S.C. 7281 et seq.) of part D of title V of that
10 Act (relating to additional assistance for certain local edu-
11 cational agencies impacted by Federal property acquisi-
12 tion) is repealed.

13 (b) TITLE VIII.—Title VIII of Elementary and Sec-
14 ondary Education Act (20 U.S.C. 7701 et seq.) is further
15 amended—

16 (1) in section 8004 (20 U.S.C. 7704)—

17 (A) in subsection (e)(1)(B)(i), by striking
18 “involved, or if” and inserting “involved or, if”;
19 and

20 (B) in subsection (f), by striking “upon”
21 and inserting “on”;

22 (2) in section 8008(a) (20 U.S.C. 7708(a)), by
23 striking “section 8014(f)” and inserting “section
24 8014(e)”;

25 (3) in section 8010 (20 U.S.C. 7710)—

1 (A) in subsection (b), by striking out “re-
2 quire” and inserting in lieu thereof “need”; and
3 (B) in subsection (c)(1)—
4 (i) in subparagraph (A), by striking
5 “paragraph (3)” and inserting “paragraph
6 (2)”; and
7 (ii) in subparagraph (B), by striking
8 “paragraph (3)” and inserting “paragraph
9 (2)”; and
10 (4) in section 8011(a) (20 U.S.C. 7711 (a)), by
11 striking “or under” and all that follows through “of
12 1994”).