114TH CONGRESS 1ST SESSION

S. 658

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

IN THE SENATE OF THE UNITED STATES

March 4, 2015

Mr. Thune (for himself and Ms. Hirono) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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. REFERENCES.
- 7 Except as otherwise expressly provided, whenever in
- 8 this Act an amendment or repeal is expressed in terms
- 9 of an amendment to, or repeal of, a section or other provi-
- 10 sion, the reference shall be considered to be made to a

1	section or other provision of the Elementary and Sec-
2	ondary Education Act of 1965 (20 U.S.C. 6301 et seq.).
3	SEC. 3. AMENDMENTS TO IMPACT AID IMPROVEMENT ACT
4	OF 2012.
5	Section 563(c) of the National Defense Authorization
6	Act for Fiscal Year 2013 (Public Law 112–239; 126 Stat.
7	1748) is amended—
8	(1) by striking paragraphs (1) and (4); and
9	(2) by redesignating paragraphs (2) and (3) as
10	paragraphs (1) and (2), respectively.
11	SEC. 4. PAYMENTS RELATING TO FEDERAL ACQUISITION
12	OF REAL PROPERTY.
13	(a) Amendments.—Section 8002 (20 U.S.C. 7702)
14	is amended—
15	(1) in subsection (b)—
16	(A) in paragraph (2), by inserting "as cal-
17	culated under paragraph (3)" before the period
18	at the end; and
19	(B) by striking subparagraph (B) of para-
20	graph (3) and inserting the following:
21	"(B) Special rule.—In the case of Fed-
22	eral property eligible under this section that is
23	within the boundaries of 2 or more local edu-
24	cational agencies that are eligible under this
25	section, any of such agencies may ask the Sec-

1	retary to calculate (and the Secretary shall cal-
2	culate) the taxable value of the eligible Federal
3	property that is within its boundaries by—
4	"(i) first calculating the per-acre
5	value of the eligible Federal property sepa-
6	rately for each eligible local educational
7	agency that shares the Federal property,
8	as provided in subparagraph (A)(ii);
9	"(ii) then averaging the resulting per-
10	acre values of the eligible Federal property
11	from each eligible local educational agency
12	that shares the Federal property; and
13	"(iii) then applying the average per-
14	acre value to determine the total taxable
15	value of the eligible Federal property under
16	subparagraph (A)(iii) for the requesting
17	local educational agency.";
18	(2) by striking subsection (f) and inserting the
19	following:
20	"(f) Special Rule.—Beginning with fiscal year
21	2015, a local educational agency shall be deemed to meet
22	the requirements of subsection (a)(1)(C) if the agency was
23	eligible under paragraph (1) or (3) of this subsection, as
24	in effect on the day before the date of enactment of the
25	Local Taxpayer Relief Act";

1	(3) by striking subsection (g) and inserting the
2	following:
3	"(g) Former Districts.—
4	"(1) Consolidations.—For fiscal year 2006
5	and all succeeding fiscal years, if a local educational
6	agency described in paragraph (2) is formed at any
7	time after 1938 by the consolidation of 2 or more
8	former school districts, the local educational agency
9	may elect to have the Secretary determine its eligi-
10	bility and any amount for which the local edu-
11	cational agency is eligible under this section for any
12	fiscal year on the basis of 1 or more of those former
13	districts, as designated by the local educational
14	agency.
15	"(2) Eligible local educational agen-
16	CIES.—A local educational agency referred to in
17	paragraph (1) is—
18	"(A) any local educational agency that, for
19	fiscal year 1994 or any preceding fiscal year,
20	applied, and was determined to be eligible
21	under, section 2(c) of the Act of September 20,
22	1950 (Public Law 874, 81st Congress), as that
23	section was in effect for that fiscal year; or
24	"(B) a local educational agency formed by
25	the consolidation of 2 or more districts, at least

1 1 of which was eligible for assistance under this 2 section for the fiscal year preceding the year of 3 the consolidation, if for fiscal years 2006 4 through 2015, the local educational agency had 5 notified the Secretary of the designation not 6 later than 30 days after the date of enactment 7 of the Local Taxpayer Relief Act.

- "(3) AMOUNT.—A local educational agency eligible under this subsection shall receive a foundation payment as provided for under subparagraphs (A) and (B) of subsection (h)(1), as in effect on the date of enactment of the Consolidated Appropriations Act, 2014, except that the foundation payment shall be calculated based on the most recent payment received by the local educational agency based on its former common status.
- "(4) AVAILABILITY OF FUNDS.—Notwithstanding any other provision of law limiting the period during which the Secretary may obligate funds appropriated for any fiscal year after 2005, the Secretary may obligate funds remaining after final payments have been made from any of such fiscal years to carry out this subsection.";
- 24 (4) in subsection (h)—

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1	(A) in paragraph (1)(B)(i), by striking
2	"subsection (b)(1)(C)" and inserting "subpara-
3	graph $(A)(i)(III)$ or (C) of subsection $(b)(1)$ ";
4	(B) by redesignating paragraphs (2)
5	through (4) as paragraphs (3) through (5), re-
6	spectively;
7	(C) by inserting after paragraph (1) the
8	following:
9	"(2) Foundation payments for applicants
10	ELIGIBLE PRIOR TO FISCAL YEAR 2006.—
11	"(A) First year.—From any amount re-
12	maining after making payments under para-
13	graph (1) and subsection (i)(1) for the fiscal
14	year involved, the Secretary shall make a pay-
15	ment in an amount of 90 percent of the amount
16	as determined in accordance with subparagraph
17	(C)(i) of paragraph (3) to a local educational
18	agency that is eligible for a payment for such
19	year and—
20	"(i) is, or was, eligible to receive a
21	payment under this section for fiscal year
22	2016; and
23	"(ii)(I) was eligible and received a
24	payment prior to fiscal year 2006 but did

1	not apply in each of the succeeding fiscal
2	years; or
3	"(II) met the eligibility requirements
4	as provided in subsection (a) prior to fiscal
5	year 2006 but was denied a payment under
6	subsection $(b)(1)(A)(i)(III)$ or subsection
7	(b)(1)(C).
8	"(B) SECOND AND SUCCEEDING YEARS.—
9	For any succeeding fiscal year after the first
10	fiscal year that a local educational agency re-
11	ceives a foundation payment under subpara-
12	graph (A), the amount of the local educational
13	agency's foundation payment under this para-
14	graph shall be equal to the local educational
15	agency's foundation payment under this para-
16	graph for the first fiscal year.";
17	(D) in paragraph (3)(A), as redesignated
18	by subparagraph (B), by striking "paragraph
19	(1)" and inserting "paragraphs (1) and (2)";
20	(E) in paragraph (4), as redesignated by
21	subparagraph (B)—
22	(i) by striking "under paragraphs (1)
23	and (2)" and inserting "under paragraphs
24	(1), (2), and (3)" and strike "under para-
25	graph (1) or (2) or subsection (i)(1);" and

1	(ii) by striking "under paragraph (1)
2	or (2)" and inserting "under paragraph
3	(1), (2), or (3)"; and
4	(F) by striking paragraph (5), as redesig-
5	nated by subparagraph (B), and inserting the
6	following:
7	"(5) Data.—For each local educational agency
8	that received a payment under this section for fiscal
9	year 2010 through the fiscal year in which the Local
10	Taxpayer Relief Act was enacted, the Secretary shall
11	not make a payment under paragraph (4) to a local
12	educational agency that fails to submit, within 60
13	days of the date the Secretary notified the agency
14	that the information is needed, the data necessary to
15	calculate the maximum amount of a payment under
16	subsection (b) for that local educational agency.";
17	(5) in subsection (i)(1), by striking "subsection
18	(h)(3)" and inserting " $(h)(4)$ "; and
19	(6) in subsection (l), by striking " $(h)(4)(B)$ "
20	and inserting " $(h)(2)$ ".
21	(b) Effective Date.—The amendments made by
22	this section shall apply to applications submitted for fiscal
23	year 2010 and all succeeding fiscal years.

1 SEC. 5. PAYMENTS FOR ELIGIBLE FEDERALLY CONNECTED

2	CHILDREN.
3	Section 8003 (20 U.S.C. 7703) is amended—
4	(1) in subsection (a)—
5	(A) in paragraph (1), in the matter pre-
6	ceding subparagraph (A), by inserting after
7	"such agency," the following: "including those
8	children enrolled in a State that has a State
9	open enrollment policy (but not including those
10	children enrolled in a distance learning program
11	not residing within the defined boundaries of
12	the agency),";
13	(B) by striking paragraph (4) and insert-
14	ing the following:
15	"(4) Military installation and indian
16	HOUSING UNDERGOING RENOVATION OR REBUILD-
17	ING.—
18	"(A) MILITARY INSTALLATION HOUSING.—
19	Beginning in fiscal year 2014, in determining
20	the amount of a payment for a local educational
21	agency for children described in paragraph
22	(1)(D)(i), the Secretary shall consider those
23	children as if they were children described in
24	paragraph (1)(B) if the Secretary determines,
25	on the basis of a certification provided to the
26	Secretary by a designated representative of the

Secretary of Defense, that those children would
have resided in housing on Federal property if
the housing was not undergoing renovation or
rebuilding. The total number of children treated
as children described in paragraph (1)(B) shall
not exceed the lesser of—

- "(i) the total number of children eligible under paragraph (1)(B) for the year prior to the initiation of the housing project on Federal property undergoing renovation or rebuilding; or
- "(ii) the total number of federally connected children enrolled in the local educational agency as stated in the application filed for the payment for the year for which the determination is made.
- "(B) Indian Lands.—Beginning in fiscal year 2014, in determining the amount of a payment for a local educational agency that received a payment for children that resided on Indian lands in accordance with paragraph (1)(C) for the fiscal year prior to the fiscal year for which the local educational agency is making an application, the Secretary shall consider those children to be children described in para-

1 graph (1)(C) if the Secretary determines on the 2 basis of certification provided to the Secretary 3 by a designated representative of the Secretary 4 of the Interior or the Secretary of Housing and Urban Development that those children would 6 have resided in housing on Indian lands if the 7 housing was not undergoing renovation or re-8 building. The total number of children treated 9 as children described in paragraph (1)(C) shall 10 not exceed the lesser of— 11 "(i) the total number of children eligi-12 ble under paragraph (1)(C) for the year 13 prior to the initiation of the housing 14 project on Indian lands undergoing renova-15 tion or rebuilding; or "(ii) the total number of federally 16 17 connected children enrolled in the local 18 educational agency as stated in the appli-19 cation filed for the payment for the year 20 for which the determination is made. 21 "(C) Eligible Housing.—Renovation or 22 rebuilding shall be defined as projects consid-23 ered as capitalization, modernization, or res-

toration, as defined by the Secretary of Defense

or the Secretary of the Interior (as the case

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1	may be) and are projects that last more than
2	30 days, but do not include 'sustainment
3	projects' such as painting, carpeting, or minor
4	repairs."; and
5	(C) in paragraph (5)(A), by striking
6	"1984, to be children described under para-
7	graph (1)(B) if the property described is within
8	the fenced security perimeter of the military fa-
9	cility upon which such housing is situated." and
10	inserting "1984, or under lease of off-base
11	property under subchapter IV of chapter 169 of
12	title 10, United States Code, to be children de-
13	scribed under paragraph (1)(B) if the property
14	described is within the fenced security perim-
15	eter of the military facility or attached to and
16	under any type of force protection agreement
17	with the military installation where such hous-
18	ing is situated.";
19	(2) in subsection (b)—
20	(A) in paragraph (2)—
21	(i) in subparagraph (B)—
22	(I) in the subparagraph heading,
23	by striking "Continuing";
24	(II) by striking clause (i) and in-
25	serting the following:

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 that
21	has a tax rate for general fund
22	purposes that is at least 95 per-
23	cent of the average tax rate for
24	general fund purposes of com-

1	parable local educational agencies
2	in the State;
3	"(III) is a local educational agen-
4	cy that has a total student enrollment
5	of not less than 25,000 students, of
6	which not less than 50 percent are
7	children described in subsection $(a)(1)$
8	and not less than 5,000 of such chil-
9	dren are children described in sub-
10	paragraphs (A) and (B) of subsection
11	(a)(1); or
12	"(IV) is a local educational agen-
13	cy that was eligible for and received a
14	payment under this paragraph in fis-
15	cal year 2012 and—
16	"(aa) has an enrollment of
17	children described in subsection
18	(a)(1) that constitutes a percent-
19	age of the total student enroll-
20	ment of the agency that is not
21	less than 20 percent;
22	"(bb) for the 3 fiscal years
23	preceding the fiscal year for
24	which the determination is made,
25	the average enrollment of chil-

1	dren who are not described in
2	subsection (a)(1) and who are eli-
3	gible for a free or reduced price
4	lunch under the Richard B. Rus-
5	sell National School Lunch Act
6	constitutes a percentage of the
7	total student enrollment of the
8	agency that is not less than 65
9	percent; and
10	"(cc) has a tax rate for gen-
11	eral fund purposes which is not
12	less than 1.25 percent of the av-
13	erage tax rate for general fund
14	purposes for comparable local
15	educational agencies in the
16	State.";
17	(III) by striking clause (ii) and
18	inserting the following:
19	"(ii) Loss of eligibility.—
20	"(I) In general.—Subject to
21	subclause (II), a heavily impacted
22	local educational agency that met the
23	requirements of clause (i) for a fiscal
24	year shall be ineligible to receive a
25	basic support payment under subpara-

1	graph (A) if the agency fails to meet
2	the requirements of clause (i) for a
3	subsequent fiscal year, except that
4	such agency shall continue to receive
5	a basic support payment under this
6	paragraph for the fiscal year for
7	which the ineligibility determination is
8	made.
9	"(II) Exception.—A local edu-
10	cational agency that is eligible under
11	subparagraph (A) but whose tax rate
12	for general fund purposes falls below
13	95 percent of the average tax rate for
14	general fund purposes of local edu-
15	cational agencies in the State for 2
16	consecutive years shall lose its eligi-
17	bility and be subject to subclause
18	(I).";
19	(IV) by striking clause (iii) and
20	inserting the following:
21	"(iii) Application.—With respect to
22	the first year for which a heavily impacted
23	local educational agency described in
24	clause (i) applies for a basic support pay-
25	ment under subparagraph (A), or with re-

1	spect to the first fiscal year for which a
2	heavily impacted local educational agency
3	applies for a basic support payment under
4	subparagraph (A) after becoming ineligible
5	under clause (i) for 1 or more preceding
6	fiscal years, the agency shall apply for
7	such payment at least 1 year prior to the
8	start of that fiscal year."; and
9	(V) by adding at the end the fol-
10	lowing:
11	"(iv) Special Rule.—Notwith-
12	standing clause (i)(II), a local educational
13	agency shall be considered eligible to re-
14	ceive a basic support payment under sub-
15	paragraph (A) with respect to the number
16	of children determined under subsection
17	(a)(1) if the agency—
18	"(I) has an enrollment of chil-
19	dren described in subsection $(a)(1)$,
20	including, for purposes of determining
21	eligibility, those children described in
22	subparagraphs (F) and G) of such
23	subsection, that constitutes a percent-
24	age of the total student enrollment of

1	the agency that is not less than 35
2	percent; and
3	"(II) was eligible to receive as-
4	sistance under paragraph (2) for fis-
5	cal year 2001.'';
6	(ii) by striking subparagraph (C) and
7	inserting the following:
8	"(C) MAXIMUM AMOUNT FOR HEAVILY IM-
9	PACTED LOCAL EDUCATIONAL AGENCIES.—
10	"(i) In General.—The maximum
11	amount that a heavily impacted local edu-
12	cational agency is eligible to receive under
13	this paragraph for any fiscal year is the
14	sum of the total weighted student units, as
15	computed under subsection (a)(2) and sub-
16	ject to clause (ii), multiplied by the greater
17	of—
18	"(I) four-fifths of the average
19	per-pupil expenditure of the State in
20	which the local educational agency is
21	located for the third fiscal year pre-
22	ceding the fiscal year for which the
23	determination is made; or
24	"(II) four-fifths of the average
25	per-pupil expenditure of all of the

States for the third fiscal year preceding the fiscal year for which the determination is made.

"(ii) Special Rule.—(I)(aa) For a local educational agency with respect to which 35 percent or more of the total student enrollment of the schools of the agency are children described in subparagraph (D) or (E) (or a combination thereof) of subsection (a)(1), and that has an enrollment of children described in subparagraph (A), (B), or (C) of such subsection equal to at least 10 percent of the agency's

total enrollment, the Secretary shall calculate the weighted student units of those children described in subparagraph (D) or

17 (E) of such subsection by multiplying the

number of such children by a factor of

19 0.55.

"(bb) For any local educational agency that received a payment under this clause in fiscal year 2012 (as such clause was in effect for that fiscal year), the local educational agency shall not be required to have an enrollment of children described in

1	subparagraph (A), (B), or (C) of sub-
2	section (a)(1) equal to at least 10 percent
3	of the agency's total enrollment.
4	"(II) For a local educational agency
5	that has an enrollment of 100 or fewer
6	children described in subsection (a)(1), the
7	Secretary shall calculate the total number
8	of weighted student units for purposes of
9	subsection (a)(2) by multiplying the num-
10	ber of such children by a factor of 1.75.
11	"(III) For a local educational agency
12	that does not qualify under subparagraph
13	(B)(i)(I) and has an enrollment of more
14	than 100 but not more than 1,000 children
15	described in subsection (a)(1), the Sec-
16	retary shall calculate the total number of
17	weighted student units for purposes of sub-
18	section (a)(2) by multiplying the number
19	of such children by a factor of 1.25.";
20	(iii) by amending subparagraph (D) to
21	read as follows:
22	"(D) MAXIMUM AMOUNT FOR LARGE
23	HEAVILY IMPACTED LOCAL EDUCATIONAL
24	AGENCIES.—(i)(I) Subject to clause (ii), the
25	maximum amount that a heavily impacted local

1	educational agency described in subclause (II)
2	is eligible to receive under this paragraph for
3	any fiscal year shall be determined in accord-
4	ance with the formula described in paragraph
5	(1)(C).
6	"(II) A heavily impacted local educational
7	agency described in this subclause is a local
8	educational agency that has a total student en-
9	rollment of not less than 25,000 students, of
10	which not less than 50 percent are children de-
11	scribed in subsection (a)(1) and not less than
12	5,000 of such children are children described in
13	subparagraphs (A) and (B) of subsection
14	(a)(1).
15	"(ii) For purposes of calculating the max-
16	imum amount described in clause (i), the factor
17	used in determining the weighted student units
18	under subsection (a)(2) with respect to children
19	described in subparagraphs (A) and (B) of sub-
20	section (a)(1) shall be 1.35.";
21	(iv) by striking subparagraph (E);
22	(v) by redesignating subparagraphs
23	(F), (G), and (H) as subparagraphs (E),
24	(F), and (G), respectively;

1	(vi) in subparagraph (E) (as redesig-
2	nated by clause (v))—
3	(I) by striking clause (ii);
4	(II) by striking "; and" at the
5	end of clause (i) and inserting a pe-
6	riod; and
7	(III) by striking "the Secretary"
8	and all that follows through "shall
9	use" and inserting "the Secretary
10	shall use'';
11	(vii) in subparagraph (F) (as redesig-
12	nated by clause (v))—
13	"(G) Determination of Average Tax
14	RATES FOR GENERAL FUND PURPOSES.—
15	"(i) In general.—Except as pro-
16	vided in clause (ii), for the purpose of de-
17	termining the average tax rates for general
18	fund purposes for local educational agen-
19	cies in a State under this paragraph, the
20	Secretary shall use either—
21	"(I) the average tax rate for gen-
22	eral fund purposes for comparable
23	local educational agencies, as deter-
24	mined by the Secretary in regulations;
25	or

	- -
1	"(II) the average tax rate of all
2	the local educational agencies in the
3	State.
4	"(ii) Special rule.—
5	"(I) FISCAL YEARS 2010–2015.—
6	For fiscal years 2010 through 2015,
7	any local educational agency that was
8	found ineligible to receive a payment
9	under subsection (b)(2)(A) because
10	the Secretary determined that it failed
11	to meet the average tax rate require-
12	ment for general fund purposes in
13	subparagraph (B)(i)(II)(bb), as in ef-
14	fect on the day before the date of en-
15	actment of the Local Taxpayer Relief
16	Act, shall be considered to have met
17	that requirement, if the State deter-
18	mined, through an alternate calcula-
19	tion of average tax rates for general
20	fund purposes, that such local edu-
21	cational agency met that requirement.
22	"(II) Subsequent fiscal
23	YEARS AFTER 2015.—For any fiscal
24	year after fiscal year 2015, any local

educational agency that met the re-

1 quirements of subclause (I) and re-2 ceived a payment under such sub-3 clause for 1 or more of fiscal years 4 2010 through 2015 may continue to have the State use such subclause (I) 6 to determine if the local educational 7 agency has met the average tax rate requirement of clause (i), including 8 9 using the alternate methodology de-10 scribed in subclause (I) to determine 11 whether the local educational agency 12 has met the average tax rate require-13 ment for general fund purposes under 14 subclause (B)(i)(II)(bb), as in effect 15 on the day before the date of enact-16 ment of the Local Taxpayer Relief 17 Act. 18 "(III)" AVAILABILITY OF 19 FUNDS.—Notwithstanding any other 20 provision of law limiting the period 21 during which the Secretary may obli-22 gate funds appropriated for any fiscal 23 year after 2012, the Secretary shall 24 reserve an amount equal to a total of

\$14,000,000 from funds that remain

1	unobligated under this section from
2	fiscal year 2013 or 2014 in order to
3	make payments under this subpara-
4	graph for fiscal years 2011 through
5	2014."; and
6	(viii) in subparagraph (G) (as redesig-
7	nated by clause (v))—
8	(I) in clause (i)—
9	(aa) by striking "(B), (C),
10	(D). or (E)," and inserting "(B),
11	(C), or (D),";
12	(bb) by striking "by reason
13	of" and inserting "due to";
14	(cc) by inserting after
15	"clause (iii)," the following: "or
16	as the direct result of base re-
17	alignment and closure or
18	modularization as determined by
19	the Secretary of Defense and
20	force structure change or force
21	relocation,"; and
22	(dd) by inserting before the
23	period at the end the following:
24	"or during such time as activities
25	associated with base closure and

1	realignment, modularization,
2	force structure change, or force
3	relocation is ongoing"; and
4	(II) in clause (ii), by striking
5	"(D) or (E)" in both places such term
6	appears and inserting "(C) or (D)";
7	and
8	(B) in paragraph (3)—
9	(i) in subparagraph (B)—
10	(I) by striking clause (iii) and in-
11	serting the following:
12	"(iii) In the case of a local educational
13	agency providing a free public education to stu-
14	dents enrolled in kindergarten through grade
15	12, that enrolls students described in subpara-
16	graphs (A), (B), and (D) of subsection (a)(1)
17	only in grades 9 through 12, and that received
18	a final payment in fiscal year 2009 calculated
19	under this paragraph (as this paragraph was in
20	effect on the day before the date of enactment
21	of the Local Taxpayer Relief Act) for students
22	in grades 9 through 12, the Secretary shall, in
23	calculating the agency's payment, consider only
24	that portion of such agency's total enrollment
25	of students in grades 9 through 12 when calcu-

1	lating the percentage under clause (i)(I) and
2	only that portion of the total current expendi-
3	tures attributed to the operation of grades 9
4	through 12 in such agency when calculating the
5	percentage under clause (i)(II).";
6	(II) by redesignating clause (iv)
7	as clause (v); and
8	(III) by inserting after clause
9	(iii) the following:
10	"(iv) For any local educational agency
11	that is providing a program of distant
12	learning to children not residing within the
13	legally defined boundaries of the agency,
14	the Secretary shall disregard such children
15	from such agency's total enrollment when
16	calculating the percentage under subclause
17	(I) of clause (i) and shall disregard any
18	funds received for such children when cal-
19	culating the total current expenditures at-
20	tributed to the operation of such agency
21	when calculating the percentage under sub-
22	clause (II) of clause (i).";
23	(ii) in subparagraph (C), by striking
24	"subparagraph (D) or (E) of paragraph

1	(2), as the case may be" and inserting
2	"paragraph (2)(D)"; and
3	(iii) by striking subparagraph (D) and
4	inserting the following:
5	"(D) Ratable distribution.—For any
6	fiscal year described in subparagraph (A) for
7	which the sums available exceed the amount re-
8	quired to pay each local educational agency 100
9	percent of its threshold payment, the Secretary
10	shall distribute the excess sums to each eligible
11	local educational agency that has not received
12	its full amount computed under paragraph (1)
13	or (2) (as the case may be) by multiplying—
14	"(i) a percentage, the denominator of
15	which is the difference between the full
16	amount computed under paragraph (1) or
17	(2) (as the case may be) for all local edu-
18	cational agencies and the amount of the
19	threshold payment as calculated under sub-
20	paragraphs (B) and (C) of all local edu-
21	cational agencies, and the numerator of
22	which is the aggregate amount of the ex-
23	cess sums, by
24	"(ii) the difference between the full
25	amount computed under paragraph (1) or

1	(2) (as the case may be) for the agency
2	and the amount of the threshold payment
3	as calculated under subparagraphs (B) and
4	(C) of the agency.";
5	(3) in subsection (c), by striking paragraph (2)
6	and inserting the following:
7	"(2) Exception.—Calculation of payments for
8	a local educational agency shall be based on data
9	from the fiscal year for which the agency is making
10	an application for payment if such agency—
11	"(A) is newly established by a State, for
12	the first year of operation of such agency only;
13	"(B) was eligible to receive a payment
14	under this section for the previous fiscal year
15	and has had an overall increase in enrollment
16	(as determined by the Secretary in consultation
17	with the Secretary of Defense, the Secretary of
18	the Interior, or the heads of other Federal
19	agencies)—
20	"(i) of not less than 10 percent, or
21	100 students, of children described in—
22	"(I) subparagraph (A), (B), (C),
23	or (D) of subsection (a)(1); or
24	"(II) subparagraph (F) or (G) of
25	subsection (a)(1), but only to the ex-

1	tent such children are civilian depend-
2	ents of employees of the Department
3	of Defense or the Department of the
4	Interior; and
5	"(ii) that is the direct result of closure
6	or realignment of military installations
7	under the base closure process or the relo-
8	cation of members of the Armed Forces
9	and civilian employees of the Department
10	of Defense as part of force structure
11	changes or movements of units or per-
12	sonnel between military installations or be-
13	cause of actions initiated by the Secretary
14	of the Interior or head of another Federal
15	agency; and
16	"(C) was eligible to receive a payment
17	under this section for the previous fiscal year
18	and has had an overall increase in enrollment
19	(as determined by the Secretary)—
20	"(i) of not less than 10 percent, or
21	100 students, of children described in sub-
22	section $(a)(1)$; and
23	"(ii) that is the direct result of the
24	closure of a local educational agency that
25	received a payment under paragraph (1) or

1	(2) of subsection (b) in the previous fiscal
2	year.";
3	(4) in subsection (e)—
4	(A) by striking paragraph (1) and insert-
5	ing the following:
6	"(1) IN GENERAL.—In the case of any local
7	educational agency whose payment under subsection
8	(b) for a fiscal year is determined to be reduced by
9	an amount greater than \$5,000,000 or by 20 per-
10	cent, as compared to the amount received in the pre-
11	vious fiscal year, the Secretary shall, subject to
12	paragraph (2), pay a local educational agency, for
13	each of the 3 years following the reduction under
14	subsection (b), the amount determined under para-
15	graph (2).
16	"(2) Amount of reduction.—Subject to
17	paragraph (3), a local educational agency described
18	in paragraph (1) shall receive—
19	"(A) for the first year for which the re-
20	duced payment is determined, the amount shall
21	not be less than 90 percent of the total amount
22	that the local educational agency received under
23	paragraph (1) or (2) of subsection (b) in the
24	fiscal year prior to the reduction (referred to in
25	this paragraph as the 'base year');

1	"(B) for the second year following such re-
2	duction, the amount shall be not less than 85
3	percent of the total amount that the local edu-
4	cational agency received under paragraph (1) or
5	(2) of subsection (b) in the base year.
6	"(C) for the third year following such re-
7	duction, the amount shall not be less than 80
8	percent of the total amount that the local edu-
9	cational agency received under paragraph (1) or
10	(2) of subsection (b) in the base year.
11	"(3) Special rule.—For any fiscal year for
12	which a local educational agency would be subject to
13	a reduced payment under subparagraph (B) or (C)
14	of paragraph (2), but the total amount of the pay-
15	ment that the local educational agency is eligible for
16	under subsection (b) for that fiscal year is greater
17	than the amount that initially subjected the local
18	educational agency to the requirements of this sub-
19	section, the Secretary shall pay the greater amount
20	to the local educational agency for such year.";
21	(B) by striking paragraph (2); and
22	(C) by redesignating paragraph (3) as
23	paragraph (2); and
24	(5) by striking subsection (g).

1	SEC. 6. APPLICATION FOR PAYMENTS UNDER SECTIONS
2	8002 AND 8003.
3	Section 8005 (20 U.S.C. 7705) is amended—
4	(1) by redesignating subsections (c) and (d) as
5	subsections (d) and (e), respectively; and
6	(2) by inserting after subsection (b) the fol-
7	lowing:
8	"(c) Student Count.—In collecting information to
9	determine the eligibility of a local educational agency and
10	the number of federally connected children for the local
11	educational agency, the Secretary shall, in addition to any
12	options provided under section 222.35 of title 34, Code
13	of Federal Regulations, or a successor regulation, allow
14	a local educational agency to count the number of such
15	children served by the agency as of the date by which the
16	agency requires all students to register for the school year
17	of the fiscal year for which the application is filed.".
18	SEC. 7. CONSTRUCTION.
19	Section 8007 (20 U.S.C. 7707) is amended—
20	(1) in subsection (a)—
21	(A) in paragraph (1)—
22	(i) by striking "40 percent" and in-
23	serting "80 percent"; and
24	(ii) by striking "8014(e)" and insert-
25	ing "8014(d)".

1	(B) in paragraph (2), by adding at the end
2	the following:
3	"(C) The agency is eligible under section
4	8003(b)(2) or is receiving a basic support pay-
5	ment under circumstances described in section
6	8003(b)(2)(B)(ii)."; and
7	(C) by striking paragraph (3) and insert-
8	ing the following:
9	"(3) Amount of payments.—
10	"(A) Local educational agencies im-
11	PACTED BY MILITARY DEPENDENT CHIL-
12	DREN.—
13	"(i) In general.—The amount of a
14	payment to each local educational agency
15	described in this subsection that is im-
16	pacted by military dependent children for a
17	fiscal year shall be equal to—
18	"(I)(aa) 40 percent of the
19	amount appropriated under section
20	8014(d) for such fiscal year; divided
21	by
22	"(bb) the number of children de-
23	scribed in subparagraphs (B) and
24	(D)(i) of section $8003(a)(1)$ who were
25	in average daily attendance for all

1	local educational agencies described in
2	paragraph (2), including the number
3	of children attending a school facility
4	described in section 8008(a) if the
5	Secretary does not provide assistance
6	for the school facility under that sec-
7	tion for the fiscal year; multiplied by
8	"(II) the number of children de-
9	termined for such agency.
10	"(ii) Limitation.—Notwithstanding
11	clause (i), the amount of a payment pro-
12	vided under this subparagraph shall be—
13	"(I) not less than \$25,000, ex-
14	cept that this subclause shall not
15	apply if the amount available to carry
16	out paragraph (1) for such fiscal year
17	is less than \$32,000,000; and
18	"(II) not more than \$4,000,000
19	"(B) Local educational agencies im-
20	PACTED BY CHILDREN WHO RESIDE ON INDIAN
21	LANDS.—
22	"(i) In general.—The amount of a
23	payment to each local educational agency
24	described in this subsection that is im-

1	pacted by children who reside on Indian
2	lands for a fiscal year shall be equal to—
3	"(I)(aa) 40 percent of the
4	amount appropriated under section
5	8014(e) for such fiscal year; divided
6	by
7	"(bb) the number of children de-
8	scribed in section 8003(a)(1)(C) who
9	were in average daily attendance for
10	all local educational agencies de-
11	scribed in paragraph (2); multiplied
12	by
13	"(II) the number of children de-
14	termined for such agency.
15	"(ii) Limitation.—Notwithstanding
16	clause (i), the amount of a payment pro-
17	vided under this subparagraph shall be—
18	"(I) not less than \$25,000, ex-
19	cept that this subclause shall not
20	apply if the amount available to carry
21	out paragraph (1) for such fiscal year
22	is less than \$32,000,000; and
23	(Π) not more than
24	\$4,000,000."; and
25	(2) in subsection (b)—

1	(A) in the matter preceding paragraph
2	(1)—
3	(i) by striking "60 percent" and in-
4	serting "20 percent"; and
5	(ii) by striking "section 8014(e)" and
6	inserting "section 8014(d)";
7	(B) in paragraph (3)—
8	(i) in subparagraph (A), in the matter
9	preceding clause (i), by inserting "if the
10	agency meets the requirements of para-
11	graph (7), or" after "under paragraph
12	(2)(A)";
13	(ii) in subparagraph (C)(i)(I), by
14	striking "the agency meets at least one"
15	and all that follows through the period at
16	the end of item (bb) and inserting "the
17	number of children determined under sec-
18	tion 8003(a)(1)(C) for the agency for the
19	preceding school year constituted at least
20	40 percent of the total student enrollment
21	in the schools of the agency during the
22	preceding school year."; and
23	(iii) by striking subclause (II) of sub-
24	paragraph (D)(ii) and inserting the fol-
25	lowing:

1	"(II) The number of children de-
2	termined under section 8003(a)(1)(C)
3	for the school for the preceding school
4	year constituted at least 40 percent of
5	the total student enrollment in the
6	school during the preceding school
7	year.";
8	(C) in paragraph (4)(C), by striking "(A),
9	(B), (C), and (D)" and inserting "(A) and
10	(C)"; and
11	(D) by adding at the end the following:
12	"(7) Special rule.—
13	"(A) In General.—Notwithstanding
14	paragraphs $(3)(C)(i)(I)$ and $(3)(D)(ii)(II)$, a
15	local educational agency or school is eligible to
16	receive a grant under this subsection in any one
17	fiscal year if such agency or school—
18	"(i) was eligible to receive a payment
19	under section 8003 for the fiscal year prior
20	to the year for which the application is
21	made; and
22	"(ii) has had an overall increase in en-
23	rollment—
24	"(I) during the period between
25	the end of the school year preceding

1	the fiscal year for which the applica-
2	tion is made and the beginning of the
3	school year immediately preceding
4	that school year;
5	"(II) of not less than 250 stu-
6	dents or 10 percent (whichever is
7	lower), of children described in—
8	"(aa) subparagraph (A),
9	(B), (C), or (D) of section
10	8003(a)(1); or
11	"(bb) subparagraph (F) or
12	(G) of section $8003(a)(1)$, but
13	only to the extent such children
14	are civilian dependents of em-
15	ployees of the Department of De-
16	fense; and
17	"(III) that is the direct result of
18	one or more of the following:
19	"(aa) Base realignment and
20	closure or global rebasing, as de-
21	termined by the Secretary of De-
22	fense.
23	"(bb) Force structure
24	changes or force reductions.

1	"(cc) An action initiated by
2	the Secretary of the Interior or
3	head of another Federal agency.
4	"(B) MAXIMUM AMOUNT.—A grant award-
5	ed to a local educational agency or school de-
6	scribed in subparagraph (A) shall not exceed
7	\$4,000,000 for a fiscal year.".
8	SEC. 8. STATE CONSIDERATION OF PAYMENTS IN PRO-
9	VIDING STATE AID.
10	Section 8009 (20 U.S.C. 7709) is amended—
11	(1) in subsection (b)—
12	(A) in paragraph (1), by inserting before
13	the period at the end the following: "and for
14	which the average per-pupil expenditure is
15	equal to or greater than the average per-pupil
16	expenditure of all the States in the third fiscal
17	year preceding the fiscal year for which the
18	State is applying for equalization under this
19	section"; and
20	(B) by striking paragraph (2) and insert-
21	ing the following:
22	"(2) Computation.—
23	"(A) STATE CURRENTLY QUALIFYING.—
24	For purposes of paragraph (1), a program of
25	State aid for any State qualifying under this

section for fiscal year 2016 equalizes expenditures among local educational agencies if, in the second fiscal year preceding the fiscal year for which the determination is made the amount of per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the highest such per-pupil expenditures or revenues did not exceed the amount of such per-pupil expenditures made by, or per-pupil revenues available to, the local educational agency in the State with the lowest such expenditures or revenues by more than 25 percent as calculated under subparagraph (B)(ii).

- "(B) OTHER FACTORS.—Notwithstanding regulations in effect prior to the enactment of this subparagraph, in making a determination under this subparagraph, the Secretary shall—
 - "(i) arrange all local educational agencies in the State by per-pupil expenditures or revenues in descending order from the highest to the lowest;
 - "(ii) using per-pupil expenditures or revenues as the only criteria disregard those local educational agencies that are

1	spending above the 95th percentile and
2	those spending below the 5th percentile;
3	"(iii) identify the local educational
4	agency at the 95th percentile and the local
5	educational agency at the 5th percentile;
6	"(iv) subtract the amount of per-pupil
7	expenditures or revenues of the local edu-
8	cational agency at the 5th percentile from
9	the amount of per-pupil expenditures or
10	revenues of the local educational agency at
11	the 95th percentile and divide the dif-
12	ference by the per-pupil expenditures or
13	revenues of the local educational agency at
14	the 5th percentile; and
15	"(v) take into account the extent to
16	which a program of State aid reflects the
17	additional cost of providing free public
18	education in particular types of local edu-
19	cational agencies such as those that are
20	geographically isolated, or to particular
21	types of students, such as children with
22	disabilities.
23	"(C) NEW STATES APPLICANTS.—
24	"(i) In general.—For purposes of
25	paragraph (1), a program of State aid for

1	any State equalizing under this section
2	after fiscal year 2006 equalizes expendi-
3	tures among local educational agencies if,
4	in the second fiscal year preceding the fis-
5	cal year for which the determination is
6	made, the amount of per-pupil expendi-
7	tures made by, or per-pupil revenues avail-
8	able to, the local educational agency in the
9	State with the highest such per-pupil ex-
10	penditures or revenues did not exceed the
11	amount of such per-pupil expenditures
12	made by, or per-pupil revenues available
13	to, the local educational agency in the
14	State with the lowest such expenditures or
15	revenues by more than 10 percent as cal-
16	culated under clause (ii).
17	"(ii) Other factors.—In making a
18	determination under this subparagraph,
19	the Secretary, notwithstanding regulations
20	in use prior to the enactment of the Local
21	Taxpayer Relief Act, shall—
22	"(I) arrange all local educational
23	agencies in the State by per-pupil ex-
24	penditures or revenues in descending
25	order from the highest to the lowest;

1	"(II) using per-pupil expendi-
2	tures or revenues as the only criteria
3	disregard those local educational
4	agencies that are spending above the
5	95th percentile and those spending
6	below the 5th percentile;
7	"(III) identify the local edu-
8	cational agency at the 95th percentile
9	and the local educational agency at
10	the 5th percentile;
11	"(IV) subtract the amount of
12	per-pupil expenditures or revenues of
13	the local educational agency at the
14	5th percentile from the amount of
15	per-pupil expenditures or revenues of
16	the local educational agency at the
17	95th percentile and divide the dif-
18	ference by the per-pupil expenditures
19	or revenues of the local educational
20	agency at the 5th percentile; and
21	"(V) take into account the extent
22	to which a program of State aid re-
23	flects the additional cost of providing
24	free public education in particular
25	types of local educational agencies,

1	such as those that are geographically
2	isolated, or to particular types of stu-
3	dents, such as children with disabil-
4	ities."; and
5	(2) in subsection $(d)(2)$ —
6	(A) by striking "A State" and inserting
7	the following:
8	"(A) IN GENERAL.—A State"; and
9	(B) by adding at the end of the following:
10	"(B) STATES THAT ARE NOT EQUALIZED
11	STATES.—A State that has not been approved
12	as an equalized State under subsection (b) shall
13	not consider funds received under section 8002
14	or section 8003 of this title in any State for-
15	mula or place a limit or direct the use of such
16	funds or consider such funds for purposes of
17	determining a local educational agency's fund
18	balance.".
19	SEC. 9. TIMELY PAYMENTS.
20	Section 8010 (20 U.S.C. 7710) is amended—
21	(1) in subsection (b), by striking "require" and
22	inserting "need"; and
23	(2) in subsection $(d)(1)$ —

1	(A) by striking "the second fiscal year fol-
2	lowing the fiscal year for" and inserting "the
3	fiscal year following the fiscal year in"; and
4	(B) by striking "such local educational
5	agency submits" and inserting "each local edu-
6	cational agency that is eligible to receive funds
7	under this title for such fiscal year submits".
8	SEC. 10. DEFINITIONS.
9	Section 8013 (20 U.S.C. 7713) is amended—
10	(1) in paragraph (1), by striking "and Marine
11	Corps" and inserting "Marine Corps, and Coast
12	Guard'';
13	(2) in paragraph (4)—
14	(A) in the first sentence, by striking "part
15	A of title I and title VI" and inserting "title I
16	and part A of title V"; and
17	(B) in the second sentence, by striking "be
18	determined" and inserting "be made";
19	(3) in paragraph (5)(A)—
20	(A) in clause (ii)—
21	(i) in subclause (IV), by striking ";
22	or" and inserting a semicolon;
23	(ii) in subclause (V), by inserting "or"
24	after the semicolon: and

1	(iii) by adding at the end the fol-
2	lowing:
3	"(VI) exempt of taxation real property
4	and personal property identified by a local
5	governmental entity, including State gov-
6	ernment, if upon such property resides a
7	child whose parents or guardians are cer-
8	tified to live on such property is considered
9	to meet the eligibility requirements of sec-
10	tion 151.4 of title 25, Code of Federal
11	Regulations;"; and
12	(B) in clause (iii)—
13	(i) by striking subclauses (II) and
14	(III) and inserting the following:
15	"(II) used to provide housing for
16	homeless children at closed military instal-
17	lations pursuant to section 501 of the
18	McKinney-Vento Homeless Assistance Act
19	(42 U.S.C. 11411);
20	"(III) used for affordable housing as-
21	sisted under the Native American Housing
22	Assistance and Self-Determination Act of
23	1996 (25 U.S.C. 4101 et seq.); or";
24	(4) in paragraph (8)(A), by inserting commas
25	before and after "and verified by"; and

1	(5) in paragraph (9)—
2	(A) by striking subparagraph (A) and in-
3	serting the following:
4	"(A) IN GENERAL.—Except as provided in
5	subparagraph (B), the term 'local educational
6	agency'—
7	"(i) means a board of education or
8	other legally constituted local school au-
9	thority having administrative control and
10	direction of free public education in a
11	county, township, independent school dis-
12	trict, or other school district; and
13	"(ii) includes any State agency that—
14	"(I) directly operates and main-
15	tains facilities for providing free pub-
16	lie education; and
17	"(II) except for those local edu-
18	cational agencies determined to be eli-
19	gible to receive a payment under sec-
20	tion 8003 prior to the date of the en-
21	actment of the Local Taxpayer Relief
22	Act, when submitting an application
23	under this title for the first time on or
24	after the date of the enactment of
25	such Act, has the authority to tax and

1	has boundaries as defined by applica-
2	ble State law for the purposes of lev-
3	ying such taxes, or has been granted
4	the authority to receive an imputed
5	tax from a city, county, township, or
6	other general purpose political sub-
7	division of a State."; and
8	(B) in subparagraph (B), in the matter
9	preceding clause (i), by inserting a comma after
10	"Secretary determines".
11	SEC. 11. AUTHORIZATION OF APPROPRIATIONS.
12	Section 8014 (20 U.S.C. 7714) is amended—
13	(1) in subsection (a), by striking "\$32,000,000
14	for fiscal year 2000 and such sums as may be nec-
15	essary for each of the seven succeeding fiscal years'
16	and inserting "such sums as may be necessary for
17	each of fiscal years 2016 through 2019";
18	(2) in subsection (b), by striking
19	"\$809,400,000 fiscal year 2000 and such sums as
20	may be necessary for each of the seven succeeding
21	fiscal years" and inserting "such sums as may be
22	necessary for each of fiscal years 2016 through
23	2019'';
24	(3) in subsection (c), by striking "\$50,000,000
25	for fiscal year 2000 and such sums as may be nec-

- essary for each of the seven succeeding fiscal years"
 and inserting "such sums as may be necessary for
 each of fiscal years 2016 through 2019";
 - (4) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively;
 - (5) in subsection (d) (as redesignated by paragraph (4)), by striking "\$10,052,000 for fiscal year 2000 and such sums as may be necessary for fiscal year 2001, \$150,000,000 for fiscal year 2002, and such sums as may be necessary for each of the five succeeding fiscal years" and inserting "such sums as may be necessary for each of fiscal years 2016 through 2019";
 - (6) in subsection (e) (as redesignated by paragraph (4)), by striking "\$5,000,000 for fiscal year 2000 and such sums as may be necessary for each of the seven succeeding fiscal years" and inserting "such sums as may be necessary for each of fiscal years 2016 through 2019"; and
- 20 (7) by adding at the end of the following:
- 21 "(f) Allocation of Dollars From Previous Fis-
- 22 CAL YEARS.—When final payments are made under this
- 23 title for a fiscal year, the Secretary shall add any remain-
- 24 ing funds to those funds appropriated for such section for

1	the next fiscal year for the purpose of making payments
2	subject to the provisions of the applicable section.".
3	SEC. 12. ADDITIONAL AND CONFORMING AMENDMENTS.
4	(a) Consolidated Appropriations Act, 2014.—
5	Section 309 of division H of the Consolidated Appropria-
6	tions Act, 2014 (Public Law 113-76; 128 Stat. 400) is
7	repealed.
8	(b) Elementary and Secondary Education Act
9	of 1965.—The Act (20 U.S.C. 6301 et seq.) is amend-
10	ed—
11	(1) in the table of contents in section 2, by
12	striking the items relating to subpart 20 of part D
13	of title V;
14	(2) by repealing subpart 20 of part D of title
15	V (20 U.S.C. 7281 et seq.) (relating to additional
16	assistance for certain local educational agencies im-
17	pacted by Federal property acquisition);
18	(3) in section 8004 (20 U.S.C. 7704)—
19	(A) in subsection (e)(1)(B)(i), by striking
20	"involved, or if" and inserting "involved or, if"
21	and
22	(B) in subsection (f), by striking "upon"
23	and inserting "on";

1	(4) in section $8008(a)$ (20 U.S.C. $7708(a)$), by
2	striking "section 8014(f)" and inserting "section
3	8014(e)"; and
4	(5) in section 8011(a) (20 U.S.C. 7711 (a)), by
5	striking "or under" and all that follows through "of
6	1994)".

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