



THE WHITE HOUSE

Domestic Policy Council

DATE: _____

FACSIMILE FOR: Spencer Johnson

PHONE: () - FAX: () - 62604

FACSIMILE FROM: Jan Schrey / Frank Martin

65567

PHONE: () - FAX: () -

NUMBER OF PAGES (INCLUDING COVER): _____

- FOR YOUR REVIEW
- PER MY E-MAIL OR VOICE-MAIL MESSAGE TO YOU
- PER YOUR REQUEST

COMMENTS: Attached zoning bill.
Talk to you at 10 AM.



UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

March 31, 1998

Honorable Newt Gingrich
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Enclosed for consideration of the Congress is the "Education Opportunity Zones Act of 1998," a proposal to help urban and rural school districts that serve high concentrations of poor children in implementing educational reforms and raising the academic achievement of all their students. Also enclosed is a section-by-section analysis summarizing the contents of the bill. I am sending an identical letter to the President of the Senate.

Mr. Speaker, school districts that educate children in cities and in impoverished rural areas face some of the toughest challenges of any districts in America. They must educate a disproportionate number of children who are at risk of failure in school, including those who are poor, disabled, or limited English proficient -- students who start school well behind their peers on measures of academic readiness. These districts have the most difficulty recruiting fully qualified teachers. They generally have more limited financial resources than other districts. Yet some schools and districts in even the most difficult environments have shown that, if they adopt critical educational reforms, they can achieve outstanding educational outcomes. The purpose of the Education Opportunity Zones Act is to enable more schools to achieve that kind of success.

Under our proposal, which would authorize the appropriation of \$200 million for fiscal year 1999 and "such sums" for the four succeeding years, the Department would award a limited number of competitive grants to urban and rural districts that: (1) have high concentrations of children from low-income families; (2) are implementing accountability-based, comprehensive educational reform policies (including policies that require all students to meet academic standards prior to promotion or graduation); (3) are working effectively to keep their schools safe, disciplined, and drug-free; and (4) have begun to show significant improvement, in at least some of their schools, in the educational achievement of all children. These are districts that need extra help, but have shown that they can use additional resources effectively. The new competitive grants would enable

those districts, which we would name "Education Opportunity Zones," to expand the scope and accelerate the pace of their reforms, so that they can achieve, in more schools, the kinds of successes that we have begun to see in a few schools in these districts.

Local educational agencies (LEAs) serving urban and rural communities in which at least 20 percent of children are from low-income families, or in which there are at least 10,000 such children, would be eligible to compete for grants. Those districts would enter into partnerships with public and private organizations, as well as parents and other members of the community, for the purpose of applying for assistance and carrying out activities under the program. Eligible LEAs would submit to the Department applications describing the reforms they have put, or are putting, into place, the improvements in educational outcomes that they have attained as a result of those reforms, and the activities that they would carry out under the grant to sustain and expand on those gains. The Department would select, through a rigorous peer-review process, the applicants to receive funding based on the evidence they present of the effectiveness of their reform programs and the quality of their plans for carrying out activities under the program.

Applicants selected to receive awards under the program would use grant funds to carry out a broad variety of education reform activities geared to improving educational outcomes. Most prominently, LEAs would carry out such activities as:

- (1) implementing accountability systems that reward effective school performance, on the one hand, and address poor performance (ultimately through intervention in school leadership, management, and staffing); on the other;
- (2) providing students with expanded choices and increased curriculum options within public education;
- (3) providing teachers and school administrators with professional development opportunities linked to school reforms; and
- (4) establishing mechanisms to reward and recognize outstanding teachers, and for identifying ineffective teachers and administrators, providing them with assistance to improve their skills, and, if there is no improvement, quickly but fairly removing them from the classroom.

A very important component of this initiative would be strong, public accountability for results. Districts would receive grants for an initial period of three years, but could receive up to two additional years of assistance if they meet ambitious, specific levels of progress in such areas as student academic achievement, school attendance, and graduation. In addition, the Department would carefully evaluate this initiative.

Finally, an additional critical component of the proposal is flexibility. Grantees would be free to use program funds in a manner that best reflects their individual plans, policies, and circumstances. In addition, in order to allow the participating LEAs to mesh Education Opportunities Zones funds with other available resources in a manner that supports the implementation of reforms across schools, all schools in participating districts that receive Title I funds would become eligible to implement schoolwide programs under the Title I statute.

I urge the Congress to take prompt and favorable action on this proposal. It would provide urban and rural school districts that face the most difficult educational challenges with assistance to implement important reforms and educate all their students to high standards.

The Office of Management and Budget advises that there is no objection to the submission of this proposal to the Congress and that its adoption would be in accord with the program of the President.

Yours sincerely,


Richard W. Riley

Enclosures

A BILL

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Education Opportunity Zones Act of 1998".

FINDINGS

1 SEC. 2. The Congress finds as follows:

2 (1) Students in schools that have high concentrations
3 of poor children begin school academically behind their peers in
4 other schools and are often unable to close the gap as they
5 progress through school. In later years, these students are less
6 likely than other students to attend a college or university and
7 more likely to experience unemployment.

8 (2) Many children who attend these high-poverty schools
9 lack access to the challenging curricula, well-prepared teachers,
10 and high expectations that make better achievement possible.

11 (3) Data from the National Assessment of Educational
12 Progress consistently show large gaps between the achievement of
13 students in high-poverty schools and those in other schools.
14 High-poverty schools will face special challenges in preparing
15 their students to reach high standards of performance on national
16 and State assessments, such as voluntary national tests and the
17 assessments States are developing under the Goals 2000 and ESEA,
18 Title I programs.

19 (4) Recent reports have found that students in urban
20 districts are more likely to attend high-poverty schools; more
21 frequently taught by teachers possessing only an emergency or

1 temporary license; and less likely to score above the basic level
2 on achievement tests than are nonurban students.

3 (5) High-poverty rural schools, because of their
4 isolation, small size, and low levels of resources, also face
5 particular challenges. For example, teachers in rural districts
6 are nearly twice as likely as other teachers to provide
7 instruction in three or more subjects.

8 (6) Notwithstanding these general trends, some high-
9 poverty school districts have shown that they can increase
10 student achievement, if they adopt challenging standards for all
11 children, focus on improving curriculum and instruction, expand
12 educational choice among public schools for parents and students,
13 adopt other components of systemic educational reform, and hold
14 schools, staff, and students accountable for results.

15 (7) Districts that have already established the
16 policies needed to attain widespread student achievement gains,
17 and have attained those gains in some of their schools, can serve
18 as models for other districts desiring to improve the academic
19 achievement of their students. The Federal Government can spur
20 more districts in this direction by providing targeted resources
21 for urban and rural districts willing to carry out solid plans
22 for improving the educational achievement of all their children.

23 PURPOSE

24 SEC. 3. The purpose of this Act is to assist urban and
25 rural local educational agencies that: (1) have high
26 concentrations of children from low-income families; (2) have a

1 record of achieving high educational outcomes, in at least some
2 of their schools; (3) are implementing standards-based systemic
3 reform strategies; and (4) are keeping their schools safe and
4 drug-free, to pursue further reforms and raise the academic
5 achievement of all their students.

6 DEFINITIONS

7 SEC. 4. As used in this Act, the following terms have the
8 following meanings:

9 (1) The term "central city" has the meaning given that
10 term by the Office of Management and Budget.

11 (2) The term "high-poverty local educational agency"
12 means a local educational agency in which the percentage of
13 children, ages 5 through 17, from families with incomes below the
14 poverty level is 20 percent or greater or the number of such
15 children exceeds 10,000.

16 (3) The term "local educational agency"--

17 (A) has the meaning given that term in section
18 14101(18)(A) and (B) of the Elementary and Secondary Education
19 Act of 1965; and

20 (B) includes elementary and secondary schools
21 operated or supported by the Bureau of Indian Affairs.

22 (4) The term "metropolitan statistical area" has the
23 meaning given that term by the Office of Management and Budget.

24 (5) The term "rural locality" means a locality that is
25 not within a metropolitan statistical area and has a population
26 of less than 25,000.

1 (6) The term "urban locality" means a locality that
2 is--

3 (A) a central city of a metropolitan statistical
4 area; or

5 (B) any other locality within a metropolitan
6 statistical area, if that area has a population of at least
7 400,000 or a population density of at least 6,000 persons per
8 square mile.

9 ELIGIBILITY

10 SEC. 5. (a) ELIGIBLE LEAS.--(1) A local educational agency
11 is eligible to receive a grant under this Act if it is--

12 (A) a high-poverty local educational agency; and

13 (B) located in, or serves, either an urban
14 locality or a rural locality.

15 (2) Two or more local educational agencies described in
16 paragraph (1) may apply for, and receive a grant under this Act
17 as a consortium.

18 (b) DETERMINATION OF ELIGIBILITY. The Secretary shall
19 determine which local educational agencies meet the eligibility
20 requirements of subsection (a) on the basis of the most recent
21 data that are satisfactory to the Secretary.

22 APPLICATIONS

23 SEC. 6. (a) APPLICATIONS REQUIRED. In order to receive a
24 grant under this Act, an eligible local educational agency shall
25 submit an application to the Secretary at such time, in such

1 form, and containing such information as the Secretary may
2 require.

3 (b) CONTENTS. Each application shall include evidence that
4 the local educational agency meets each of the following
5 conditions:

6 (1) It has begun to raise student achievement, as
7 measured by State assessments under title III of the Goals 2000:
8 Educate America Act, title I of the Elementary and Secondary
9 Education Act of 1965, or comparably rigorous State or local
10 assessments. This evidence shall include data disaggregated to
11 show the achievement of students separately by race and by
12 gender, as well as for students with disabilities, students with
13 limited English proficiency, and students who are economically
14 disadvantaged (compared to students who are not economically
15 disadvantaged), throughout the district or, at a minimum, in
16 schools that have implemented a comprehensive school improvement
17 strategy.

18 (2) It expects all students to achieve to challenging
19 State or local content standards, it has adopted or is developing
20 or adopting assessments aligned with those standards, and it has
21 implemented or is implementing comprehensive reform policies
22 designed to assist all children to achieve to the standards.

23 (3) It has entered into a partnership that includes the
24 active involvement of representatives of local organizations and
25 agencies and other members of the community, including parents,

1 and is designed to guide the implementation of the local
2 educational agency's comprehensive reform strategy.

3 (4) It has put (or is putting) into place effective
4 educational reform policies, including policies that--

5 (A) hold schools accountable for helping all
6 students, including students with limited English proficiency and
7 students with disabilities, reach high academic standards. The
8 application shall describe how the agency will reward schools
9 that succeed and intervene in schools that fail to make progress;

10 (B) require all students, including students with
11 disabilities and students with limited English proficiency, to
12 meet academic standards before being promoted to the next grade
13 level at key transition points in their careers or graduating
14 from high school. The application shall describe the local
15 educational agency's strategy for providing students with a rich
16 curriculum tied to high standards, and with well-prepared
17 teachers and class sizes conducive to high student achievement;

18 (C) identify, during the early stages of their
19 academic careers, students who have difficulty in achieving to
20 high standards, and provide them with more effective educational
21 interventions or additional learning opportunities such as after-
22 school programs, so that the students are able to meet the
23 standards at key transition points in their academic careers;

24 (D) hold teachers and principals accountable for
25 quality, including a description of the local educational

*diff academic levels
- passing 4/10 standards*

1 agency's strategies for ensuring quality through, among other
2 things--

3 (i) development of clearly articulated
4 standards for teachers and school administrators, and
5 development, in cooperation with teacher organizations, of
6 procedures for identifying, working with, and, if necessary,
7 quickly but fairly removing teachers and administrators who fail
8 to perform at adequate levels;

9 (ii) implementation of a comprehensive
10 professional development plan for teachers and instructional
11 leaders, such as a plan developed under title II of the
12 Elementary and Secondary Education Act of 1965; and

13 (iii) encouraging excellent teaching by,
14 among other things, providing incentives for teachers to obtain
15 certification by the National Board for Professional Teaching
16 Standards; and

17 (E) provide students and parents with expanded
18 choice within public education.

19 (5) It is working effectively to keep its schools safe,
20 disciplined, and drug-free.

21 (c) DESCRIPTION OF PROPOSED PROGRAM. The application shall
22 also include a description of how the local educational agency
23 will use the grant made available under this Act, including
24 descriptions of--

describ modify standards AFT

NEA backing

1 (1) how the district will use all available resources
2 (Federal, State, local, and private) to carry out its reform
3 strategy;

4 (2) the specific measures that the applicant proposes
5 to use to provide evidence of future progress in improving
6 student achievement, including the subject areas and grade levels
7 in which it will measure that progress, and an assurance that the
8 applicant will collect such student data in a manner that
9 demonstrates the achievement of students separately by race and
10 by gender, as well as for students with disabilities, students
11 with limited English proficiency, and students who are
12 economically disadvantaged (compared to students who are not
13 economically disadvantaged); and

14 (3) how the applicant will continue the activities
15 carried out under the grant after the grant has expired.

16 SELECTION OF APPLICATIONS

17 SEC. 7. (a) CRITERIA. The Secretary shall, using a peer-
18 review process, select applicants to receive funding based on--

19 (1) evidence that--

20 (A) the applicant has made progress in improving
21 student achievement, in at least some of its schools that enroll
22 concentrations of children from low-income families;

23 (B) the applicant has put (or is putting) into
24 place effective reform policies as described in section 6(b)(4);
25 and

1 (C) the applicant is working effectively to keep
2 its schools safe, disciplined, and drug-free; and

3 (2) the quality of the applicant's plan for carrying
4 out activities under the grant, as set forth in the application.

5 (b) EQUITABLE DISTRIBUTION. In approving applications, the
6 Secretary shall seek to ensure that there is an equitable
7 distribution of grants among geographic regions of the country,
8 to varying sizes of urban local educational agencies, and to
9 rural local educational agencies, including rural local
10 educational agencies serving concentrations of Indian children.

11 PRESIDENTIAL DESIGNATION; TECHNICAL ASSISTANCE

12 SEC. 8. (a) DESIGNATION AS EDUCATION OPPORTUNITY ZONE. The
13 President shall designate each local educational agency selected
14 by the Secretary to receive a grant under this Act as an
15 "Education Opportunity Zone".

16 (b) TECHNICAL ASSISTANCE. The President may instruct
17 Federal agencies to provide grant recipients with such technical
18 and other assistance as those agencies can make available to
19 enable the grantees to carry out their activities under the
20 program.

21 AMOUNT AND DURATION OF GRANTS; CONTINUATION AWARDS

22 SEC. 9. (a) GRANT AMOUNTS. In determining the amount of a
23 grant, the Secretary shall consider such factors as--

24 (1) the scope of the activities proposed in the
25 application;

1 (2) the number of students in the local educational
2 agency who are from low-income families;

3 (3) the number of low-performing schools in the local
4 educational agency; and

5 (4) the number of children in the local educational
6 agency who are not reaching State or local standards.

7 (b) DURATION OF GRANTS.--(1) Each grant shall be for three
8 years, but may be continued for up to two additional years if the
9 Secretary determines that the grantee is achieving agreed-upon
10 measures of progress by the third year of the grant.

11 (2) The Secretary may increase the amount of a grant in
12 the second year, in order to permit full implementation of grant
13 activities, except that--

14 (A) the amount of a second-year award shall be no
15 more than 140 percent of the award for the first year;

16 (B) the amount of a third-year award shall be no
17 more than 80 percent of the second-year award;

18 (C) the amount of a fourth-year award shall be no
19 more than 70 percent of the second-year award; and

20 (D) the amount of a fifth-year award shall be no
21 more than 50 percent of the second-year award.

22 (c) EXPECTED ACHIEVEMENT LEVELS AND CONTINUATION AWARDS.--

23 (1) Before receiving its award, each grantee shall develop and
24 adopt, with the approval of the Secretary, specific, ambitious
25 levels of achievement that exceed typical achievement levels for
26 comparable local educational agencies and that the local

1 educational agency commits to attaining during the period of the
2 grant.

3 (2) The agreed-upon levels shall--

4 (A) reflect progress in the areas of--

5 (i) student academic achievement;

6 (ii) dropout rates;

7 (iii) attendance; and

8 (iv) such other areas as may be proposed by
9 the local educational agency or the Secretary; and

10 (B) provide for the disaggregation of data
11 separately by race and by gender, as well as for students with
12 disabilities, students with limited English proficiency, and
13 students who are economically disadvantaged students (compared to
14 students who are not economically disadvantaged).

15 USES OF FUNDS

16 SEC. 10. (a) IN GENERAL. Each grantee shall use its award
17 only for activities that support the comprehensive reform efforts
18 described in its application or that are otherwise consistent
19 with the purpose of this Act.

20 (b) AUTHORIZED ACTIVITIES. Activities that may be carried
21 out with funds under this Act include--

22 (1) implementing school-performance-information systems
23 to measure the performance of schools in educating their students
24 to high standards, maintaining a safe school environment, and
25 achieving the anticipated school-attendance and graduation rates;

1 (2) implementing district accountability systems that
2 reward schools that raise student achievement and provide
3 assistance to, and ultimately result in intervention in, schools
4 that fail to do so, including such intervention strategies as
5 technical assistance on school management and leadership,
6 intensive professional development for school staff, institution
7 of new instructional programs that are based on reliable
8 research, and the reconstitution of the school;

9 (3) providing students with expanded choice and
10 increased curriculum options within public education, through
11 such means as open-enrollment policies, schools within schools,
12 magnet schools, charter schools, distance-learning programs, and
13 opportunities for secondary school students to take postsecondary
14 courses;

15 (4) implementing financial incentives for schools to
16 make progress against the goals and benchmarks the district has
17 established for the program;

18 (5) providing additional learning opportunities, such
19 as after-school, weekend, and summer programs, to students who
20 are failing, or are at risk of failing, to achieve to high
21 standards;

22 (6) providing ongoing professional development
23 opportunities to teachers, principals, and other school staff
24 that are tailored to the needs of individual schools, and aligned
25 with the State or local academic standards and with the
26 objectives of the program carried out under the grant;

1 (7) implementing programs to provide recognition and
2 financial rewards to teachers who demonstrate outstanding
3 capability at educating students to high standards, including
4 monetary rewards for teachers who earn certification from the
5 National Board for Professional Teaching Standards;

6 (8) implementing procedures, in consultation with
7 teacher organizations, for identifying ineffective teachers and
8 administrators, providing them with assistance to improve their
9 skills and, if there is inadequate improvement, quickly but
10 fairly removing them from the classroom or school;

11 (9) establishing programs to improve the recruitment
12 and retention of well-prepared teachers, including the use of
13 financial incentives to encourage well-prepared individuals to
14 teach in areas of the district with high needs;

15 (10) designing and implementing procedures for
16 selecting and retaining principals who have the ability to
17 provide the school leadership needed to raise student
18 achievement;

19 (11) strengthening the management of the local
20 educational agency so that all components of management are
21 focused on improving student achievement;

22 (12) carrying out activities to build stronger
23 partnerships between schools and parents, businesses, and
24 communities; and

1 (13) assessing activities carried out under the grant,
2 including the extent to which the grant is achieving its
3 objectives.

4 FLEXIBILITY

5 SEC. 11. (a) ELIGIBILITY FOR SCHOOLWIDE PROGRAMS UNDER ESEA,
6 TITLE I. Each school operated by a local educational agency
7 receiving funding under this authority that is selected by the
8 agency to receive funds under section 1113(c) of the Elementary
9 and Secondary Education Act of 1965 shall be considered as
10 meeting the criteria for eligibility to implement a schoolwide
11 program as described in section 1114 of that Act.

12 (b) CARRYING OUT SCHOOLWIDE PROGRAMS. All schools in the
13 local educational agency that qualify for eligibility for a
14 schoolwide program based solely on the agency's receiving funding
15 under this Act and that wish to carry out a schoolwide program
16 shall--

17 (1) develop a plan that satisfies the requirements of
18 section 1114(b) (2) of the Elementary and Secondary Education Act
19 of 1965; and

20 (2) develop a program that includes the components of a
21 schoolwide program described in section 1114(b) (1) of that Act.

22 PARTICIPATION OF PRIVATE SCHOOL STUDENTS AND TEACHERS

23 SEC. 12. (a) REQUIREMENTS.--(1) (A) If a local educational
24 agency uses funds under this Act to provide additional learning
25 opportunities (as described in section 10(b) (5)) or other

1 educational services authorized by this Act to children, or for
2 training of teachers or administrators, it shall provide for the
3 participation of children, teachers, or administrators from
4 private nonprofit elementary or secondary schools, in proportion
5 to the number of children enrolled in those schools who reside in
6 attendance areas served by the local educational agency's program
7 under this Act.

8 (B) A local educational agency may choose to
9 comply with subparagraph (A) by providing services to children
10 and teachers from private schools at the same time and location
11 it provides those services to children and teachers from public
12 schools.

13 (C) The local educational agency shall carry out
14 subparagraph (A) after timely and meaningful consultation with
15 appropriate private school officials.

16 (2) If the local educational agency uses funds under
17 this Act to develop curricular materials, it shall make
18 information about those materials available to private schools.

19 (b) WAIVER. If, by reason of any provision of law, a local
20 educational agency is prohibited from providing the services or
21 training for private school children, teachers, or administrators
22 required by subsection (a)(1)(A), or if the Secretary determines
23 that the agency is unable to do so, the Secretary shall waive the
24 requirement of that subsection and shall use a portion of the
25 agency's grant to arrange for the provision of the services or
26 training.

EVALUATION

SEC. 13. The Secretary shall carry out an evaluation of the program supported under this Act, which shall address such issues as the extent to which--

(1) student achievement in local educational agencies receiving support increases;

(2) local educational agencies receiving support expand the choices for students and parents within public education; and

(3) local educational agencies receiving support develop and implement systems to hold schools, teachers, and principals accountable for student achievement.

NATIONAL ACTIVITIES

SEC. 14. The Secretary may reserve up to five percent of the amount appropriated under section 15 for any fiscal year for--

(1) peer review activities;

(2) evaluation of the program under section 13 and measurement of its effectiveness in accordance with the Government Performance and Results Act of 1993;

(3) dissemination of research findings, evaluation data, and the experiences of districts implementing comprehensive school reform; and

(4) technical assistance to grantees.

AUTHORIZATION OF APPROPRIATIONS

1
2
3
4
5

SEC. 15. For the purpose of carrying out this Act, there are authorized to be appropriated \$200 million for fiscal year 1999, and such sums as may be necessary for each of the four succeeding fiscal years.

* * * * *

EDUCATION OPPORTUNITY ZONES ACT OF 1998

SECTION-BY-SECTION ANALYSIS

Section 2, findings. Section 2 of the bill would state the congressional findings that support enactment of the Education Opportunity Zones Act of 1998 (the Act).

Section 3, purpose. Section 3 would state that the purpose of the Act is to assist urban and rural local educational agencies (LEAs) that: (1) have high concentrations of children from low-income families; (2) have a record of achieving high educational outcomes, in at least some of their schools; (3) are implementing standards-based systemic reform strategies; and (4) are keeping their schools safe and drug-free. These LEAs would use funds under the Act to pursue further reforms and raise the academic achievement of all their students.

Section 4, definitions. Section 4 of the bill would define the terms "central city", "high-poverty local educational agency", "local educational agency", "metropolitan statistical area", "rural locality", and "urban locality", as used in the Act.

Section 5, eligibility. Section 5 of the bill would provide that an LEA is eligible for a grant under the Act if it is a high-poverty local educational agency that is located in, or serves, either an urban locality or a rural locality (as those terms are defined in section 4). Two or more eligible LEAs could apply as a consortium. The Secretary would determine which LEAs are eligible on the basis of the most recent data that are satisfactory to the Secretary.

Section 6, applications. Section 6(a) of the bill would require an eligible LEA that wants to receive a grant under the Act to submit an application.

Section (6) (b) would require each LEA's application to show that the LEA: (1) has begun to raise student achievement, as measured by State assessments under Title III of the Goals 2000: Educate America Act, Title I of the Elementary and Secondary Education Act of 1965, or comparably rigorous State or local assessments; (2) expects all students to achieve to challenging State or local content standards, has adopted or is developing or adopting assessments aligned with those standards, and has implemented or is implementing comprehensive reform policies designed to assist all children to achieve to the standards; (3) has entered into a partnership that includes the active involvement of representatives of local organizations and agencies and other members of the community, including parents, and is designed to guide the implementation of the LEA's comprehensive reform strategy; (4) has put (or is putting) into place effective educational reform policies, including policies

in certain critical areas; and (5) is working effectively to keep its schools safe, disciplined, and drug-free.

Section 6(c) would require the LEA's application to include a description of its proposed program under the Act, including descriptions of how the district will use all available resources to carry out its reform strategy, the specific measures that the LEA proposes to use to provide evidence of future progress in improving student achievement, and how the applicant will continue the activities carried out under the grant after the grant has expired.

Section 7, selection of applications. Section 7(a) of the bill would direct the Secretary, using a peer-review process, to select applicants to receive funding based on evidence that the applicant: (1) has made progress in improving student achievement, in at least some of its schools that enroll concentrations of children from low-income families; (2) has put (or is putting) into place effective reform policies as described in section 6(b); and (3) is working effectively to keep its schools safe, disciplined, and drug-free. The Secretary would also base the selection of grantees on the relative quality of the applicants' plans for carrying out activities under the program.

Section 7(b) would require the Secretary, in approving applications, to seek to ensure that there is an equitable distribution of grants among geographic regions of the country, to varying sizes of urban LEAs, and to rural LEAs, including rural LEAs serving concentrations of Indian children.

Section 8, Presidential designation; technical assistance. Section 8(a) of the bill would direct the President to designate each LEA selected by the Secretary to receive a grant under the Act as an "Education Opportunity Zone".

Section 8(b) would provide that the President may instruct Federal agencies to provide grant recipients with such technical and other assistance as those agencies can make available to enable the grantees to carry out their activities under the Act.

Section 9, amount and duration of grants; continuation awards. Section 9(a) of the bill would direct the Secretary, in determining the amount of a grant, to consider such factors as the scope of the activities proposed in the application; the number of students in the LEA who are from low-income families; the number of low-performing schools in the LEA; and the number of children in the LEA who are not reaching State or local standards.

Section 9(b) would establish a three-year period for each grant, which could be continued for up to two additional years if

the Secretary determines that the grantee is achieving agreed-upon measures of progress by the third year of the grant. The Secretary could increase the amount of a grant in the second year by up to 40 percent, in order to permit full implementation of grant activities, with declining maximums in the remaining years.

Section 9(c) would require each recipient, before receiving its award, to develop and adopt, with the Secretary's approval, specific, ambitious levels of achievement that exceed typical achievement levels for comparable LEAs and that the LEA commits to attaining during the period of the grant. The agreed-upon levels would have to reflect progress in the areas of student academic achievement, dropout rates, and attendance, and in such other areas as the LEA or the Secretary may propose. The LEA would also agree to provide for the disaggregation of data on the basis of race and gender, for disabled and limited English proficient students, and for economically disadvantaged students compared to students who are not economically disadvantaged.

Section 10, uses of funds. Section 10(a) of the bill would require each grantee to use its award only for activities that support the comprehensive reform efforts described in its application or that are otherwise consistent with the purpose of the Act.

Section 10(b) would provide 13 examples of specific activities that could be carried out under the Act.

Section 11, flexibility. Section 11(a) of the bill would allow LEAs to conduct ESEA, Title I schoolwide programs in each Title I school that it will serve under this Act, without regard to the normal eligibility criteria for schoolwide programs. Such a school could thus use its Title I funds for activities that benefit the entire school, not just Title I children, even if less than 50 percent of the school's children are from low-income families. The school would still have to comply with the normal Title I requirements relating to plans and components for schoolwide programs.

Section 12, participation of private school students and teachers. Section 12 of the bill would provide for the participation of students and teachers from private schools in certain activities carried out under the Act.

Section 13, evaluation. Section 13 of the bill would direct the Secretary to evaluate the program supported under the Act, including such issues as the extent to which student achievement in participating LEAs increases; participating LEAs expand the choices for students and parents within public education; and participating LEAs develop and implement systems to hold schools, teachers, and principals accountable for student achievement.

Section 14, national activities. Section 14 of the bill would permit the Secretary to reserve up to five percent of the amount appropriated under section 15 for any fiscal year for peer review activities; evaluation of the program under section 13 and measurement of its effectiveness in accordance with the Government Performance and Results Act of 1993; dissemination of research findings, evaluation data, and the experiences of districts implementing comprehensive school reform; and technical assistance to grantees.

Section 15, authorization of appropriations. Section 15 of the bill would authorize the appropriation of \$200 million for fiscal year 1999, and such sums as may be necessary for each of the four succeeding fiscal years, to carry out the Act.

* * * * *