

for the fiscal year minus the total amount received by the agency under the provisions of law described in section 7345(c) of this title for the preceding fiscal year.

(2) Determination of initial amount

The initial amount referred to in paragraph (1) is equal to \$100 multiplied by the total number of students in excess of 50 students, in average daily attendance at the schools served by the local educational agency, plus \$20,000, except that the initial amount may not exceed \$60,000.

(3) Ratable adjustment

(A) In general

If the amount made available to carry out this section for any fiscal year is not sufficient to pay in full the amounts that local educational agencies are eligible to receive under paragraph (1) for such year, the Secretary shall ratably reduce such amounts for such year.

(B) Additional amounts

If additional funds become available for making payments under paragraph (1) for such fiscal year, payments that were reduced under subparagraph (A) shall be increased on the same basis as such payments were reduced.

(c) Disbursement

The Secretary shall disburse the funds awarded to a local educational agency under this section for a fiscal year not later than July 1 of that fiscal year.

(d) Special eligibility rule

A local educational agency that is eligible to receive a grant under this subpart for a fiscal year is not eligible to receive funds for such fiscal year under subpart 2 of this part.

(Pub. L. 89-10, title VI, § 6212, as added Pub. L. 107-110, title VI, § 601, Jan. 8, 2002, 115 Stat. 1892.)

§ 7345b. Accountability

(a) Academic achievement assessment

Each local educational agency that uses or receives funds under this subpart for a fiscal year shall administer an assessment that is consistent with section 6311(b)(3) of this title.

(b) Determination regarding continuing participation

Each State educational agency that receives funding under the provisions of law described in section 7345(c) of this title shall—

(1) after the third year that a local educational agency in the State participates in a program under this subpart and on the basis of the results of the assessments described in subsection (a) of this section, determine whether the local educational agency participating in the program made adequate yearly progress, as described in section 6311(b)(2) of this title;

(2) permit only those local educational agencies that participated and made adequate yearly progress, as described in section 6311(b)(2) of this title, to continue to participate; and

(3) permit those local educational agencies that participated and failed to make adequate yearly progress, as described in section 6311(b)(2) of this title, to continue to participate only if such local educational agencies use applicable funding under this subpart to carry out the requirements of section 6316 of this title.

(Pub. L. 89-10, title VI, § 6213, as added Pub. L. 107-110, title VI, § 601, Jan. 8, 2002, 115 Stat. 1893.)

SUBPART 2—RURAL AND LOW-INCOME SCHOOL PROGRAM

§ 7351. Program authorized

(a) Grants to States

(1) In general

From amounts appropriated under section 7355c of this title for this subpart for a fiscal year that are not reserved under subsection (c) of this section, the Secretary shall award grants (from allotments made under paragraph (2)) for the fiscal year to State educational agencies that have applications submitted under section 7351b of this title approved to enable the State educational agencies to award grants to eligible local educational agencies for local authorized activities described in section 7351a(a) of this title.

(2) Allotment

From amounts described in paragraph (1) for a fiscal year, the Secretary shall allot to each State educational agency for that fiscal year an amount that bears the same ratio to those amounts as the number of students in average daily attendance served by eligible local educational agencies in the State for that fiscal year bears to the number of all such students served by eligible local educational agencies in all States for that fiscal year.

(3) Specially qualified agencies

(A) Eligibility and application

If a State educational agency elects not to participate in the program under this subpart or does not have an application submitted under section 7351b of this title approved, a specially qualified agency in such State desiring a grant under this subpart may submit an application under such section directly to the Secretary to receive an award under this subpart.

(B) Direct awards

The Secretary may award, on a competitive basis or by formula, the amount the State educational agency is eligible to receive under paragraph (2) directly to a specially qualified agency in the State that has submitted an application in accordance with subparagraph (A) and obtained approval of the application.

(C) Specially qualified agency defined

In this subpart, the term “specially qualified agency” means an eligible local educational agency served by a State educational agency that does not participate in a program under this subpart in a fiscal year, that may apply directly to the Sec-