

(e) Maintenance of effort**(1) In general**

Except as provided in paragraph (2), a State is entitled to receive its full allotment of funds under this section for any fiscal year if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures within the State with respect to the provision of free public education for the fiscal year preceding the fiscal year for which the determination is made was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second fiscal year preceding the fiscal year for which the determination is made.

(2) Reduction of funds

The Secretary shall reduce the amount of funds awarded to any State under this section in any fiscal year in the exact proportion to which the State fails to meet the requirements of paragraph (1) by falling below 90 percent of both the fiscal effort per student and aggregate expenditures (using the measure most favorable to the State), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

(3) Waivers

The Secretary may waive, for 1 fiscal year only, the requirements of this subsection if the Secretary determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

(f) Authorization of appropriations

There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2002 and for each of the 5 succeeding fiscal years.

(g) Adjustments where necessitated by appropriations**(1) In general**

If the sums available under this section for any fiscal year are insufficient to pay the full amounts that all local educational agencies in States are eligible to receive under this section for such year, the Secretary shall ratably reduce the allocations to such local educational agencies, subject to paragraphs (2) and (3).

(2) Additional funds

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

(3) Hold-harmless amounts

For each fiscal year, if sufficient funds are available, the amount made available to each local educational agency under this section shall be

(A) not less than 95 percent of the amount made available for the preceding fiscal year if the number of children counted for grants under section 6333 of this title is not less

than 30 percent of the total number of children aged 5 to 17 years, inclusive, in the local educational agency;

(B) not less than 90 percent of the amount made available for the preceding fiscal year if the percentage described in subparagraph (A) is between 15 percent and 30 percent; and

(C) not less than 85 percent of the amount made available for the preceding fiscal year if the percentage described in subparagraph (A) is below 15 percent.

(4) Applicability

Notwithstanding any other provision of law, the Secretary shall not take into consideration the hold-harmless provisions of this subsection for any fiscal year for purposes of calculating State or local allocations for the fiscal year under any program administered by the Secretary other than a program authorized under this part.

(Pub. L. 89-10, title I, §1125A, as added Pub. L. 107-110, title I, §101, Jan. 8, 2002, 115 Stat. 1525.)

PRIOR PROVISIONS

A prior section 6337, Pub. L. 89-10, title I, §1126, as added Pub. L. 103-382, title I, §101, Oct. 20, 1994, 108 Stat. 3577, related to special allocation procedures, prior to the general amendment of this subchapter by Pub. L. 107-110. See section 6338 of this title.

A prior section 1125A of Pub. L. 89-10 was classified to section 6336 of this title, prior to the general amendment of this subchapter by Pub. L. 107-110.

§ 6338. Special allocation procedures**(a) Allocations for neglected children****(1) In general**

If a State educational agency determines that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children who are living in institutions for neglected children as described in section 6333(c)(1)(B) of this title, the State educational agency shall, if such agency assumes responsibility for the special educational needs of such children, receive the portion of such local educational agency's allocation under sections 6333, 6334, 6335, and 6337 of this title that is attributable to such children.

(2) Special rule

If the State educational agency does not assume such responsibility, any other State or local public agency that does assume such responsibility shall receive that portion of the local educational agency's allocation.

(b) Allocations among local educational agencies

The State educational agency may allocate the amounts of grants under sections 6333, 6334, 6335, and 6337 of this title among the affected local educational agencies—

(1) if two or more local educational agencies serve, in whole or in part, the same geographical area;

(2) if a local educational agency provides free public education for children who reside in the school district of another local educational agency; or

(3) to reflect the merger, creation, or change of boundaries of one or more local educational agencies.

(c) Reallocation

If a State educational agency determines that the amount of a grant a local educational agency would receive under sections 6333, 6334, 6335, and 6337 of this title is more than such local educational agency will use, the State educational agency shall make the excess amount available to other local educational agencies in the State that need additional funds in accordance with criteria established by the State educational agency.

(Pub. L. 89-10, title I, §1126, as added Pub. L. 107-110, title I, §101, Jan. 8, 2002, 115 Stat. 1534.)

PRIOR PROVISIONS

A prior section 6338, Pub. L. 89-10, title I, §1127, as added Pub. L. 103-382, title I, §101, Oct. 20, 1994, 108 Stat. 3577, related to carryover and waiver, prior to the general amendment of this subchapter by Pub. L. 107-110. See section 6339 of this title.

A prior section 1126 of Pub. L. 89-10 was classified to section 6337 of this title, prior to the general amendment of this subchapter by Pub. L. 107-110.

§ 6339. Carryover and waiver**(a) Limitation on carryover**

Notwithstanding section 1225(b) of this title or any other provision of law, not more than 15 percent of the funds allocated to a local educational agency for any fiscal year under this subpart (but not including funds received through any reallocation under this subpart) may remain available for obligation by such agency for one additional fiscal year.

(b) Waiver

A State educational agency may, once every 3 years, waive the percentage limitation in subsection (a) of this section if—

- (1) the agency determines that the request of a local educational agency is reasonable and necessary; or
- (2) supplemental appropriations for this subpart become available.

(c) Exclusion

The percentage limitation under subsection (a) of this section shall not apply to any local educational agency that receives less than \$50,000 under this subpart for any fiscal year.

(Pub. L. 89-10, title I, §1127, as added Pub. L. 107-110, title I, §101, Jan. 8, 2002, 115 Stat. 1534.)

PRIOR PROVISIONS

A prior section 1127 of Pub. L. 89-10 was classified to section 6338 of this title, prior to the general amendment of this subchapter by Pub. L. 107-110.

PART B—STUDENT READING SKILLS
IMPROVEMENT GRANTS

SUBPART 1—READING FIRST

§ 6361. Purposes

The purposes of this subpart are as follows:

- (1) To provide assistance to State educational agencies and local educational agencies in establishing reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research, to ensure that every student can read at grade

level or above not later than the end of grade 3.

- (2) To provide assistance to State educational agencies and local educational agencies in preparing teachers, including special education teachers, through professional development and other support, so the teachers can identify specific reading barriers facing their students and so the teachers have the tools to effectively help their students learn to read.

- (3) To provide assistance to State educational agencies and local educational agencies in selecting or administering screening, diagnostic, and classroom-based instructional reading assessments.

- (4) To provide assistance to State educational agencies and local educational agencies in selecting or developing effective instructional materials (including classroom-based materials to assist teachers in implementing the essential components of reading instruction), programs, learning systems, and strategies to implement methods that have been proven to prevent or remediate reading failure within a State.

- (5) To strengthen coordination among schools, early literacy programs, and family literacy programs to improve reading achievement for all children.

(Pub. L. 89-10, title I, §1201, as added Pub. L. 107-110, title I, §101, Jan. 8, 2002, 115 Stat. 1535.)

PRIOR PROVISIONS

A prior section 6361, Pub. L. 89-10, title I, §1201, as added Pub. L. 103-382, title I, §101, Oct. 20, 1994, 108 Stat. 3578; amended Pub. L. 106-554, §1(a)(4) [div. B, title XVI, §1604(b)], Dec. 21, 2000, 114 Stat. 2763, 2763A-328, stated purpose of Even Start family literacy program, prior to the general amendment of this subchapter by Pub. L. 107-110. See section 6381 of this title.

A prior section 1201 of Pub. L. 89-10 was classified to section 2781 of this title, prior to the general amendment of Pub. L. 89-10 by Pub. L. 103-382.

§ 6362. Formula grants to State educational agencies**(a) In general****(1) Authorization to make grants**

In the case of each State educational agency that in accordance with section 6363 of this title submits to the Secretary an application for a 6-year period, the Secretary, from amounts appropriated under section 6302(b)(1) of this title and subject to the application's approval, shall make a grant to the State educational agency for the uses specified in subsections (c) and (d) of this section. For each fiscal year, the funds provided under the grant shall equal the allotment determined for the State educational agency under subsection (b) of this section.

(2) Duration of grants

Subject to subsection (e)(3) of this section, a grant under this section shall be awarded for a period of not more than 6 years.

(b) Determination of amount of allotments**(1) Reservations from appropriations**

From the total amount made available to carry out this subpart for a fiscal year, the Secretary—