

(i) fails to implement an improvement plan as described in paragraph (2); or

(ii) with respect to any specific core indicator of performance that was identified in a program improvement plan under paragraph (2), fails to meet at least 90 percent of the local level of performance for such core indicator for 2 consecutive years after the eligible recipient has been identified for improvement under such paragraph.

**(B) Waiver for exceptional circumstances**

In determining whether to impose sanctions under subparagraph (A), the eligible agency may waive imposing sanctions—

(i) due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the eligible recipient;

(ii) based on the impact on the eligible recipient's reported performance of the small size of the career and technical education program operated by the eligible recipient; or

(iii) in response to a public request from an eligible recipient, if the eligible agency determines that the requirements described in clause (i) or (ii) have been met.

**(5) Funds resulting from reduced allotments**

The eligible agency shall use funds withheld under paragraph (4) from an eligible recipient to provide (through alternative arrangements) services and activities to students within the area served by such recipient to meet the purposes of this chapter.

**(6) Adjustments prohibited**

An eligible recipient shall not be eligible to adjust performance levels while executing an improvement plan under this section.

See 2018 Amendment notes below.

**PRIOR PROVISIONS**

A prior section 2343, Pub. L. 88-210, title I, §123, as added Pub. L. 105-332, §1(b), Oct. 31, 1998, 112 Stat. 3106, related to improvement plans, prior to the general amendment of this chapter by Pub. L. 109-270.

Another prior section 2343, Pub. L. 88-210, title II, §240, as added Pub. L. 101-392, title II, §201, Sept. 25, 1990, 104 Stat. 784, related to local applications, prior to the general amendment of this chapter by Pub. L. 105-332.

**AMENDMENTS**

2018—Subsec. (a)(1). Pub. L. 115-224, §123(1)(A), substituted “percent of the” for “percent of an agreed upon”, “State determined level of performance” for “State adjusted level of performance” in two places, “2323(b)(2) of this title for all CTE concentrators” for “section 2323(b)(3) of this title”, and “(that includes an analysis of the performance disparities or gaps identified under section 2323(b)(3)(C)(ii)(II) of this title, and actions that will be taken to address such gaps)” for “(with special consideration to performance gaps identified under section 2323(c)(2) of this title)”.

Subsec. (a)(2). Pub. L. 115-224, §123(1)(B), substituted “purposes of this section, including after implementation of the improvement plan described in paragraph (1),” for “purposes of this chapter” and “State determined levels of performance” for “State’s adjusted levels of performance”.

Subsec. (a)(3)(A)(ii), (iii). Pub. L. 115-224, §123(1)(C), added cl. (ii) and struck out former cls. (ii) and (iii) which read as follows:

“(ii) fails to make any improvement in meeting any of the State adjusted levels of performance for the core

indicators of performance identified under paragraph (1) within the first program year of implementation of its improvement plan described in paragraph (1); or

“(iii) fails to meet at least 90 percent of an agreed upon State adjusted level of performance for the same core indicator of performance for 3 consecutive years.” Subsec. (a)(5). Pub. L. 115-224, §123(1)(D), added par. (5).

Subsec. (b). Pub. L. 115-224, §123(2)(A), substituted “local level” for “local adjusted level” and “local levels” for “local adjusted levels” wherever appearing.

Subsec. (b)(2). Pub. L. 115-224, §123(2)(B)(ii), which directed substitution of “(that includes an analysis of the performance disparities or gaps identified under section 2323(b)(3)(C)(ii)(II) of this title, and actions that will be taken to address such gaps) in consultation with local stakeholders described in section 2354(d)(1) of this title, the eligible agency, and” for “(with special consideration to performance gaps identified under section 2323(b)(4)(C)(ii)(II) of this title in consultation with the eligible agency,” was executed by making the substitution for text containing another closing parenthesis after “of this title”, to reflect the probable intent of Congress.

Pub. L. 115-224, §123(2)(B)(i), inserted “for all CTE concentrators” after “section 2323(b)(4) of this title”.

Subsec. (b)(4)(A)(ii), (iii). Pub. L. 115-224, §123(2)(C)(i), added cl. (ii) and struck out former cls. (ii) and (iii) which read as follows:

“(ii) fails to make any improvement in meeting any of the local adjusted levels of performance for the core indicators of performance identified under paragraph (2) within the first program year of implementation of its improvement plan described in paragraph (2); or

“(iii) fails to meet at least 90 percent of an agreed upon local adjusted level of performance for the same core indicator of performance for 3 consecutive years.”

Subsec. (b)(4)(B)(iii). Pub. L. 115-224, §123(2)(C)(ii), added cl. (iii).

Subsec. (b)(6). Pub. L. 115-224, §123(2)(D), added par. (6).

**EFFECTIVE DATE OF 2018 AMENDMENT**

Amendment by Pub. L. 115-224 effective July 1, 2019, see section 4 of Pub. L. 115-224, set out as a note under section 2301 of this title.

**§ 2344. State leadership activities**

**(a) General authority**

From amounts reserved under section 2322(a)(2) of this title, each eligible agency shall conduct State leadership activities.

**(b) Required uses of funds**

The State leadership activities described in subsection (a) shall include—

(1) an assessment of the career and technical education programs carried out with funds under this subchapter, including an assessment of how the needs of special populations are being met and how the career and technical education programs are designed to enable special populations to meet State adjusted levels of performance and prepare the special populations for further education, further training, or for high skill, high wage, or high demand occupations;

(2) developing, improving, or expanding the use of technology in career and technical education that may include—

(A) training of career and technical education teachers, faculty, career guidance and academic counselors, and administrators to use technology, including distance learning;

(B) providing career and technical education students with the academic and ca-

reer and technical skills (including the mathematics and science knowledge that provides a strong basis for such skills) that lead to entry into technology fields, including non-traditional fields; or

(C) encouraging schools to collaborate with technology industries to offer voluntary internships and mentoring programs;

(3) professional development programs, including providing comprehensive professional development (including initial teacher preparation) for career and technical education teachers, faculty, administrators, and career guidance and academic counselors at the secondary and postsecondary levels, that support activities described in section 2342 of this title and—

(A) provide in-service and preservice training in career and technical education programs—

(i) on effective integration and use of challenging academic and career and technical education provided jointly with academic teachers to the extent practicable;

(ii) on effective teaching skills based on research that includes promising practices;

(iii) on effective practices to improve parental and community involvement; and

(iv) on effective use of scientifically based research and data to improve instruction;

(B) are high quality, sustained, intensive, and classroom-focused in order to have a positive and lasting impact on classroom instruction and the teacher's performance in the classroom, and are not 1-day or short-term workshops or conferences;

(C) will help teachers and personnel to improve student achievement in order to meet the State adjusted levels of performance established under section 2323 of this title;

(D) will support education programs for teachers of career and technical education in public schools and other public school personnel who are involved in the direct delivery of educational services to career and technical education students to ensure that teachers and personnel—

(i) stay current with the needs, expectations, and methods of industry;

(ii) can effectively develop rigorous and challenging, integrated academic and career and technical education curricula jointly with academic teachers, to the extent practicable;

(iii) develop a higher level of academic and industry knowledge and skills in career and technical education; and

(iv) effectively use applied learning that contributes to the academic and career and technical knowledge of the student; and

(E) are coordinated with the teacher certification or licensing and professional development activities that the State carries out under title II of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6601 et seq.] and title II of the Higher Education Act of 1965 [20 U.S.C. 1021 et seq.];

(4) supporting career and technical education programs that improve the academic and career and technical skills of students participating in career and technical education programs by strengthening the academic and career and technical components of such career and technical education programs, through the integration of coherent and relevant content aligned with challenging academic standards and relevant career and technical education, to ensure achievement in—

(A) a well-rounded education (as defined in section 8101 of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 7801]); and

(B) career and technical education subjects;

(5) providing preparation for non-traditional fields in current and emerging professions, and other activities that expose students, including special populations, to high skill, high wage occupations;

(6) supporting partnerships among local educational agencies, institutions of higher education, adult education providers, and, as appropriate, other entities, such as employers, labor organizations, intermediaries, parents, and local partnerships, to enable students to achieve State academic standards, and career and technical skills, or complete career and technical programs of study, as described in section 2342(c)(1)(A) of this title;

(7) serving individuals in State institutions, such as State correctional institutions and institutions that serve individuals with disabilities;

(8) support for programs for special populations that lead to high skill, high wage, or high demand occupations; and

(9) technical assistance for eligible recipients.

**(c) Permissible uses of funds**

The leadership activities described in subsection (a) may include—

(1) improvement of career guidance and academic counseling programs that assist students in making informed academic and career and technical education decisions, including—

(A) encouraging secondary and postsecondary students to graduate with a diploma or degree; and

(B) exposing students to high skill, high wage occupations and non-traditional fields;

(2) establishment of agreements, including articulation agreements, between secondary school and postsecondary career and technical education programs in order to provide postsecondary education and training opportunities for students participating in such career and technical education programs, such as tech prep programs;

(3) support for initiatives to facilitate the transition of subbaccalaureate career and technical education students into baccalaureate degree programs, including—

(A) statewide articulation agreements between associate degree granting career and technical postsecondary educational institutions and baccalaureate degree granting postsecondary educational institutions;

- (B) postsecondary dual and concurrent enrollment programs;
- (C) academic and financial aid counseling; and
- (D) other initiatives—
  - (i) to encourage the pursuit of a baccalaureate degree; and
  - (ii) to overcome barriers to participation in baccalaureate degree programs, including geographic and other barriers affecting rural students and special populations;
- (4) support for career and technical student organizations, especially with respect to efforts to increase the participation of students who are members of special populations;
- (5) support for public charter schools operating career and technical education programs;
- (6) support for career and technical education programs that offer experience in, and understanding of, all aspects of an industry for which students are preparing to enter;
- (7) support for family and consumer sciences programs;
- (8) support for partnerships between education and business or business intermediaries, including cooperative education and adjunct faculty arrangements at the secondary and postsecondary levels;
- (9) support to improve or develop new career and technical education courses and initiatives, including career clusters, career academies, and distance education, that prepare individuals academically and technically for high skill, high wage, or high demand occupations;
- (10) awarding incentive grants to eligible recipients—
  - (A) for exemplary performance in carrying out programs under this chapter, which awards shall be based on—
    - (i) eligible recipients exceeding the local adjusted levels of performance established under section 2323(b) of this title in a manner that reflects sustained or significant improvement;
    - (ii) eligible recipients effectively developing connections between secondary education and postsecondary education and training;
    - (iii) the adoption and integration of coherent and rigorous content aligned with challenging academic standards and technical coursework;
    - (iv) eligible recipients' progress in having special populations who participate in career and technical education programs meet local adjusted levels of performance; or
    - (v) other factors relating to the performance of eligible recipients under this chapter as the eligible agency determines are appropriate; or
  - (B) if an eligible recipient elects to use funds as permitted under section 2355(c)(19) of this title;
- (11) providing for activities to support entrepreneurship education and training;
- (12) providing career and technical education programs for adults and school dropouts to complete their secondary school education, in

coordination, to the extent practicable, with activities authorized under the Adult Education and Family Literacy Act;

(13) providing assistance to individuals, who have participated in services and activities under this subchapter, in continuing the individuals' education or training or finding appropriate jobs, such as through referral to the system established under section 3151 of title 29;

(14) developing valid and reliable assessments of technical skills;

(15) developing and enhancing data systems to collect and analyze data on secondary and postsecondary academic and employment outcomes;

(16) improving—

(A) the recruitment and retention of career and technical education teachers, faculty, administrators, and career guidance and academic counselors, including individuals in groups underrepresented in the teaching profession; and

(B) the transition to teaching from business and industry, including small business; and

(17) support for occupational and employment information resources, such as those described in section 2328 of this title.

**(d) Restriction on uses of funds**

An eligible agency that receives funds under section 2322(a)(2) of this title may not use any of such funds for administrative costs.

(Pub. L. 88-210, title I, §124, as added Pub. L. 109-270, §1(b), Aug. 12, 2006, 120 Stat. 723; amended Pub. L. 113-128, title V, §512(e)(4), July 22, 2014, 128 Stat. 1707; Pub. L. 114-95, title IX, §9215(n)(7), Dec. 10, 2015, 129 Stat. 2170; Pub. L. 115-224, title I, §124, July 31, 2018, 132 Stat. 1608.)

AMENDMENT OF SECTION

*Pub. L. 115-224, §4, title I, §124, July 31, 2018, 132 Stat. 1564, 1608, made amendments to this section, effective July 1, 2019. After July 1, 2019, this section will read as follows:*

§ 2344. *State leadership activities*

(a) *General authority*

*From amounts reserved under section 2322(a)(2) of this title, each eligible agency shall—*

*(1) conduct State leadership activities to improve career and technical education, which shall include support for—*

*(A) preparation for non-traditional fields in current and emerging professions, programs for special populations, and other activities that expose students, including special populations, to high-skill, high-wage, and in-demand occupations;*

*(B) individuals in State institutions, such as State correctional institutions, including juvenile justice facilities, and educational institutions that serve individuals with disabilities;*

*(C) recruiting, preparing, or retaining career and technical education teachers, faculty, specialized instructional support personnel, or paraprofessionals, such as preservice, professional development, or leadership development programs; and*

*(D) technical assistance for eligible recipients; and*

(2) report on the effectiveness of such use of funds in achieving the goals described in section 2342(d)(2) of this title and the State determined levels of performance described in section 2323(b)(3)(A) of this title, and reducing disparities or performance gaps as described in section 2323(b)(3)(C)(ii)(II) of this title.

(b) *Permissible uses of funds*

The State leadership activities described in subsection (a) may include—

(1) developing statewide programs of study, which may include standards, curriculum, and course development, and career exploration, guidance, and advisement activities and resources;

(2) approving locally developed programs of study that meet the requirements established in section 2342(d)(4)(B) of this title;

(3) establishing statewide articulation agreements aligned to approved programs of study;

(4) establishing statewide industry or sector partnerships among local educational agencies, institutions of higher education, adult education providers, Indian Tribes and Tribal organizations that may be present in the State, employers, including small businesses, and parents, as appropriate to—

(A) develop and implement programs of study aligned to State and local economic and education needs, including, as appropriate, in-demand industry sectors and occupations;

(B) facilitate the establishment, expansion, and integration of opportunities for students at the secondary level to—

(i) successfully complete coursework that integrates rigorous and challenging technical and academic instruction aligned with the challenging State academic standards adopted by the State under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965; and

(ii) earn a recognized postsecondary credential or credit toward a recognized postsecondary credential, which may be earned through a dual or concurrent enrollment program or early college high school, at no cost to the student or the student's family; and

(C) facilitate work-based learning opportunities (including internships, externships, and simulated work environments) into programs of study;

(5) for teachers, faculty, specialized instructional support personnel, and paraprofessionals providing career and technical education instruction, support services, and specialized instructional support services, high-quality comprehensive professional development that is, to the extent practicable, grounded in evidence-based research (to the extent a State determines that such evidence is reasonably available) that identifies the most effective educator professional development process and is coordinated and aligned with other professional development activities carried out by the State (including under title II of the Elementary and Secondary Education Act of 1965 and title II of the Higher Education Act of 1965), including programming that—

(A) promotes the integration of the challenging State academic standards adopted by the State under section 1111(b)(1) of the Elementary

and Secondary Education Act of 1965 and relevant technical knowledge and skills, including programming jointly delivered to academic and career and technical education teachers;

(B) prepares career and technical education teachers, faculty, specialized instructional support personnel, and paraprofessionals to provide appropriate accommodations for students who are members of special populations, including through the use of principles of universal design for learning, multi-tier systems of supports, and positive behavioral interventions and support; and

(C) increases the ability of teachers, faculty, specialized instructional support personnel, and paraprofessionals providing career and technical education instruction to stay current with industry standards and earn an industry-recognized credential or license, as appropriate, including by assisting those with relevant industry experience in obtaining State teacher licensure or credential requirements;

(6) supporting eligible recipients in eliminating inequities in student access to—

(A) high-quality programs of study that provide skill development; and

(B) effective teachers, faculty, specialized instructional support personnel, and paraprofessionals;

(7) awarding incentive grants to eligible recipients—

(A) for exemplary performance in carrying out programs under this chapter, which awards shall be based on—

(i) eligible recipients exceeding the local level of performance on a core indicator of performance established under section 2323(b)(4)(A) of this title in a manner that reflects sustained or significant improvement;

(ii) eligible recipients effectively developing connections between secondary education and postsecondary education and training;

(iii) the integration of academic and technical standards;

(iv) eligible recipients' progress in closing achievement gaps among subpopulations who participate in programs of study; or

(v) other factors relating to the performance of eligible recipients under this chapter as the eligible agency determines are appropriate; or

(B) if an eligible recipient elects to use funds as permitted under section 2355(c) of this title;

(8) providing support for—

(A) the adoption and integration of recognized postsecondary credentials and work-based learning into programs of study, and for increasing data collection associated with recognized postsecondary credentials and employment outcomes; or

(B) consultation and coordination with other State agencies for the identification and examination of licenses or certifications that—

(i) pose an unwarranted barrier to entry into the workforce for career and technical education students; and

(ii) do not protect the health, safety, or welfare of consumers;

(9) the creation, implementation, and support of pay for success initiatives leading to a recognized postsecondary credential;

(10) support for career and technical education programs for adults and out-of-school youth concurrent with their completion of their secondary school education in a school or other educational setting;

(11) the creation, evaluation, and support of competency-based curricula;

(12) support for the development, implementation, and expansion of programs of study or career pathways in areas declared to be in a state of emergency under section 5191 of title 42;

(13) partnering with qualified intermediaries to improve training, the development of public-private partnerships, systems development, capacity-building, and scalability of the delivery of high-quality career and technical education;

(14) improvement of career guidance and academic counseling programs that assist students in making informed academic and career and technical education decisions, including academic and financial aid counseling;

(15) support for the integration of employability skills into career and technical education programs and programs of study;

(16) support for programs and activities that increase access, student engagement, and success in science, technology, engineering, and mathematics fields (including computer science, coding, and architecture), support for the integration of arts and design skills, and support for hands-on learning, particularly for students who are members of groups underrepresented in such subject fields, such as female students, minority students, and students who are members of special populations;

(17) support for career and technical student organizations, especially with respect to efforts to increase the participation of students in nontraditional fields and students who are members of special populations;

(18) support for establishing and expanding work-based learning opportunities that are aligned to career and technical education programs and programs of study;

(19) integrating and aligning programs of study and career pathways;

(20) supporting the use of career and technical education programs and programs of study aligned with State, regional, or local high-skill, high-wage, or in-demand industry sectors or occupations identified by the State workforce development board described in section 3111 of title 29 or local workforce development boards;

(21) making all forms of instructional content widely available, which may include use of open educational resources;

(22) developing valid and reliable assessments of competencies and technical skills and enhancing data systems to collect and analyze data on secondary and postsecondary academic and employment outcomes;

(23) support for accelerated learning programs, as described in section 4104(b)(3)(A)(i)(IV) of the Elementary and Secondary Education Act of 1965, in the case of any such program that is part of a career and technical education program of study;

(24) support for career academies to implement a postsecondary education and workforce-ready curriculum at the secondary education level that integrates rigorous academic, technical, and employability contents through career and technical

education programs and programs of study that address needs described in the comprehensive needs assessment under section 2354(c) of this title; and

(25) other State leadership activities that improve career and technical education.

(c) Restriction on uses of funds

An eligible agency that receives funds under section 2322(a)(2) of this title may not use any of such funds for administrative costs, unless expressly authorized under subsection (a).

See 2018 Amendment notes below.

#### REFERENCES IN TEXT

The Elementary and Secondary Education Act of 1965, referred to in subsec. (b)(3)(E), is Pub. L. 89-10, Apr. 11, 1965, 79 Stat. 27, as amended. Title II of the Act is classified generally to subchapter II (§6601 et seq.) of chapter 70 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 6301 of this title and Tables.

The Higher Education Act of 1965, referred to in subsec. (b)(3)(E), is Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219, as amended. Title II of the Act is classified generally to subchapter II (§1021 et seq.) of chapter 28 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of this title and Tables.

The Adult Education and Family Literacy Act, referred to in subsec. (c)(12), was title II of Pub. L. 105-220, Aug. 7, 1998, 112 Stat. 1059, which was classified principally to subchapter I (§9201 et seq.) of chapter 73 of this title, and was repealed by Pub. L. 113-128, title V, §§506, 511(a), July 22, 2014, 128 Stat. 1703, 1705, effective July 1, 2015. Pub. L. 113-128 also included a title II, entitled the “Adult Education and Family Literacy Act”, which is classified generally to subchapter II (§3271 et seq.) of chapter 32 of Title 29, Labor. Pursuant to section 3361(a) of Title 29, references to a provision of Pub. L. 105-220 are deemed to refer to the corresponding provision of Pub. L. 113-128, July 22, 2014, 128 Stat. 1425, effective July 1, 2015. For complete classification of title II of Pub. L. 105-220 to the Code, see Tables. For complete classification of title II of Pub. L. 113-128 to the Code, see Short Title note set out under section 3101 of Title 29 and Tables.

#### PRIOR PROVISIONS

A prior section 2344, Pub. L. 88-210, title I, §124, as added Pub. L. 105-332, §1(b), Oct. 31, 1998, 112 Stat. 3107, related to State leadership activities, prior to the general amendment of this chapter by Pub. L. 109-270.

#### AMENDMENTS

2018—Subsec. (a). Pub. L. 115-224, §124(1), substituted “shall—” for “shall conduct State leadership activities.” and added pars. (1) and (2).

Subsec. (b). Pub. L. 115-224, §124(2), substituted “Permissible” for “Required” in heading and “may” for “shall” in introductory provisions, added pars. (1) to (25), and struck out former pars. (1) to (9) which set out activities required to be included in State leadership activities.

Subsecs. (c), (d). Pub. L. 115-224, §124(3)–(5), redesignated subsec. (d) as (c), inserted “, unless expressly authorized under subsection (a)” before period at end, and struck out former subsec. (c) which set out permissible uses of funds for State leadership activities.

2015—Subsec. (b)(4)(A). Pub. L. 114-95 substituted “a well-rounded education (as defined in section 8101 of the Elementary and Secondary Education Act of 1965)” for “the core academic subjects (as defined in section 9101 of the Elementary and Secondary Education Act of 1965)”.

2014—Subsec. (c)(13). Pub. L. 113-128 substituted “such as through referral to the system established under section 3151 of title 29” for “such as through referral to the system established under section 2841 of title 29”.

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-224 effective July 1, 2019, see section 4 of Pub. L. 115-224, set out as a note under section 2301 of this title.

EFFECTIVE DATE OF 2015 AMENDMENT

Amendment by Pub. L. 114-95 effective Dec. 10, 2015, except with respect to certain noncompetitive programs and competitive programs, see section 5 of Pub. L. 114-95, set out as a note under section 6301 of this title.

EFFECTIVE DATE OF 2014 AMENDMENT

Amendment by Pub. L. 113-128 effective on the first day of the first full program year after July 22, 2014 (July 1, 2015), see section 506 of Pub. L. 113-128, set out as an Effective Date note under section 3101 of Title 29, Labor.

PART C—LOCAL PROVISIONS

**§ 2351. Distribution of funds to secondary education programs**

**(a) Distribution rules**

Except as provided in section 2353 of this title and as otherwise provided in this section, each eligible agency shall distribute the portion of funds made available under section 2322(a)(1) of this title to carry out this section to local educational agencies within the State as follows:

**(1) Thirty percent**

Thirty percent shall be allocated to such local educational agencies in proportion to the number of individuals aged 5 through 17, inclusive, who reside in the school district served by such local educational agency for the preceding fiscal year compared to the total number of such individuals who reside in the school districts served by all local educational agencies in the State for such preceding fiscal year, as determined on the basis of the most recent satisfactory—

(A) data provided to the Secretary by the Bureau of the Census for the purpose of determining eligibility under title I of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6301 et seq.]; or

(B) student membership data collected by the National Center for Education Statistics through the Common Core of Data survey system.

**(2) Seventy percent**

Seventy percent shall be allocated to such local educational agencies in proportion to the number of individuals aged 5 through 17, inclusive, who reside in the school district served by such local educational agency and are from families below the poverty level for the preceding fiscal year, as determined on the basis of the most recent satisfactory data used under section 1124(c)(1)(A) of the Elementary and Secondary Education Act of 1965 [20 U.S.C. 6333(c)(1)(A)], compared to the total number of such individuals who reside in the school districts served by all the local educational agencies in the State for such preceding fiscal year.

**(3) Adjustments**

Each eligible agency, in making the allocations under paragraphs (1) and (2), shall adjust the data used to make the allocations to—

(A) reflect any change in school district boundaries that may have occurred since the data were collected; and

(B) include local educational agencies without geographical boundaries, such as charter schools and secondary schools funded by the Bureau of Indian Affairs.

**(b) Waiver for more equitable distribution**

The Secretary may waive the application of subsection (a) in the case of any eligible agency that submits to the Secretary an application for such a waiver that—

(1) demonstrates that a proposed alternative formula more effectively targets funds on the basis of poverty (as defined by the Office of Management and Budget and revised annually in accordance with section 9902(2) of title 42) to local educational agencies within the State than the formula described in subsection (a); and

(2) includes a proposal for such an alternative formula.

**(c) Minimum allocation**

**(1) In general**

Except as provided in paragraph (2), a local educational agency shall not receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is greater than \$15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

**(2) Waiver**

The eligible agency shall waive the application of paragraph (1) in any case in which the local educational agency—

(A)(i) is located in a rural, sparsely populated area; or

(ii) is a public charter school operating secondary school career and technical education programs; and

(B) demonstrates that the local educational agency is unable to enter into a consortium for purposes of providing activities under this part.

**(3) Redistribution**

Any amounts that are not allocated by reason of paragraph (1) or paragraph (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

**(d) Limited jurisdiction agencies**

**(1) In general**

In applying the provisions of subsection (a), no eligible agency receiving assistance under this subchapter shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

**(2) Special rule**

The amount to be allocated under paragraph (1) to a local educational agency that has ju-