

grams and competitive programs, see section 5 of Pub. L. 114-95, set out as a note under section 6301 of this title.

### § 7305b. Transferability of funds

#### (a) Transfers by States

##### (1) In general

In accordance with this part, a State may transfer all, or any lesser amount, of State funds (including funds transferred under paragraph (2)) allotted to the State for use for State-level activities under the following provisions for a fiscal year to one or more of the State's allotments for such fiscal year under any other of such provisions:

- (A) Part A of subchapter II.
- (B) Part A of subchapter IV.
- (C) Section 7172(c)(3) of this title.

##### (2) Additional funds

In accordance with this part, a State may transfer any funds allotted to the State under a provision listed in paragraph (1) for a fiscal year to its allotment under any other of the following provisions:

- (A) Part A of subchapter I.
- (B) Part C of subchapter I.
- (C) Part D of subchapter I.
- (D) Part A of subchapter III.
- (E) Part B.

#### (b) Transfers by local educational agencies

##### (1) Authority to transfer funds

###### (A) In general

In accordance with this part, a local educational agency may transfer all, or any lesser amount, of the funds allocated to it under each of the provisions listed in paragraph (2) for a fiscal year to one or more of its allocations for such fiscal year under any other provision listed in paragraph (2).

###### (B) Additional funds

In accordance with this part, a local educational agency may transfer any funds allotted to such agency under a provision listed in paragraph (2) for a fiscal year to its allotment under any other of the following provisions:

- (i) Part A of subchapter I.
- (ii) Part C of subchapter I.
- (iii) Part D of subchapter I.
- (iv) Part A of subchapter III.
- (v) Part B.

##### (2) Applicable provisions

A local educational agency may transfer funds under subparagraph (A) or (B) of paragraph (1) from allocations made under each of the following provisions:

- (A) Part A of subchapter II.
- (B) Part A of subchapter IV.

##### (c) No transfer of certain funding

A State or local educational agency may not transfer under this part to any other program any funds allotted or allocated to it for the following provisions:

- (1) Part A of subchapter I.
- (2) Part C of subchapter I.
- (3) Part D of subchapter I.

- (4) Part A of subchapter III.
- (5) Part B.

#### (d) Modification of plans and applications; notification

##### (1) State transfers

Each State that makes a transfer of funds under this section shall—

- (A) modify, to account for such transfer, each State plan, or application submitted by the State, to which such funds relate;
- (B) not later than 30 days after the date of such transfer, submit a copy of such modified plan or application to the Secretary; and
- (C) not later than 30 days before the effective date of such transfer, notify the Secretary of such transfer.

##### (2) Local transfers

Each local educational agency that makes a transfer of funds under this section shall—

- (A) modify, to account for such transfer, each local plan, or application submitted by the agency, to which such funds relate;
- (B) not later than 30 days after the date of such transfer, submit a copy of such modified plan or application to the State; and
- (C) not later than 30 days before the effective date of such transfer, notify the State of such transfer.

#### (e) Applicable rules

##### (1) In general

Except as otherwise provided in this part, funds transferred under this section are subject to each of the rules and requirements applicable to the funds under the provision to which the transferred funds are transferred.

##### (2) Consultation

Each State educational agency or local educational agency that transfers funds under this section shall conduct consultations in accordance with section 7881 of this title, if such transfer transfers funds from a program that provides for the participation of students, teachers, or other educational personnel, from private schools.

(Pub. L. 89-10, title V, §5103, formerly title VI, §6123, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1876; renumbered title V, §5103, and amended Pub. L. 114-95, title V, §§5001(a)(1), 5002(3), (5), Dec. 10, 2015, 129 Stat. 2039, 2040.)

#### PRIOR PROVISIONS

A prior section 5103 of Pub. L. 89-10 was classified to section 7203 of this title, prior to the general amendment of former subchapter V of this chapter by Pub. L. 107-110.

Another prior section 5103 of Pub. L. 89-10 was classified to section 3173 of this title, prior to the general amendment of Pub. L. 89-10 by Pub. L. 103-382.

Prior sections 7311 to 7311b, 7315 to 7315c, 7321 to 7321e, and 7325 to 7325c were repealed by Pub. L. 114-95, §5, title V, §5001(b)(1), Dec. 10, 2015, 129 Stat. 1806, 2040, effective Dec. 10, 2015, except with respect to certain non-competitive programs and competitive programs.

Section 7311, Pub. L. 89-10, title V, §6131, formerly title VI, §6131, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1878; renumbered title V, §6131, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat.

2039, provided that former subpart 3 of this part could be cited as the “State and Local Flexibility Demonstration Act”.

A prior section 7311, Pub. L. 89-10, title VI, §6101, as added Pub. L. 103-382, title I, §101, Oct. 20, 1994, 108 Stat. 3708, related to allotment to States, prior to the general amendment of former subchapter VI of this chapter by Pub. L. 107-110.

Section 7311a, Pub. L. 89-10, title V, §6132, formerly title VI, §6132, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1878; renumbered title V, §6132, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, stated the purpose of former subpart 3 of this part.

Section 7311b, Pub. L. 89-10, title V, §6133, formerly title VI, §6133, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1878; renumbered title V, §6133, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, provided that any State that is one local educational agency would be considered a State educational agency and not a local educational agency.

A prior section 7312, Pub. L. 89-10, title VI, §6102, as added Pub. L. 103-382, title I, §101, Oct. 20, 1994, 108 Stat. 3708, which related to allocation to local educational agencies, was omitted in the general amendment of former subchapter VI of this chapter by Pub. L. 107-110.

Section 7315, Pub. L. 89-10, title V, §6141, formerly title VI, §6141, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1879; renumbered title V, §6141, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to State flexibility.

Section 7315a, Pub. L. 89-10, title V, §6142, formerly title VI, §6142, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1883; renumbered title V, §6142, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to consolidation and use of funds under a grant of flexibility authority.

Section 7315b, Pub. L. 89-10, title V, §6143, formerly title VI, §6143, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1883; renumbered title V, §6143, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to midterm and final performance reviews and penalties regarding grants of flexibility authority.

Section 7315c, Pub. L. 89-10, title V, §6144, formerly title VI, §6144, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1884; renumbered title V, §6144, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, provided for renewal of grant of flexibility authority.

Section 7321, Pub. L. 89-10, title V, §6151, formerly title VI, §6151, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1884; renumbered title V, §6151, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to local flexibility demonstration agreements.

Section 7321a, Pub. L. 89-10, title V, §6152, formerly title VI, §6152, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1888; renumbered title V, §6152, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to consolidation and use of funds under a local flexibility demonstration agreement.

Section 7321b, Pub. L. 89-10, title V, §6153, formerly title VI, §6153, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1889; renumbered title V, §6153, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to limitations on administrative expenditures.

Section 7321c, Pub. L. 89-10, title V, §6154, formerly title VI, §6154, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1889; renumbered title V, §6154, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to midterm and final performance reviews and penalties regarding local flexibility demonstration agreements.

Section 7321d, Pub. L. 89-10, title V, §6155, formerly title VI, §6155, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1889; renumbered title V, §6155, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, provided for renewal of local flexibility demonstration agreement.

Section 7321e, Pub. L. 89-10, title V, §6156, formerly title VI, §6156, as added Pub. L. 107-110, title VI, §601,

Jan. 8, 2002, 115 Stat. 1890; renumbered title V, §6156, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to transmittal of reports to Congress and limitation on required information.

Section 7325, Pub. L. 89-10, title V, §6161, formerly title VI, §6161, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1890; renumbered title V, §6161, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to accountability for adequate yearly progress.

Section 7325a, Pub. L. 89-10, title V, §6162, formerly title VI, §6162, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1890; renumbered title V, §6162, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to peer review of State progress.

Section 7325b, Pub. L. 89-10, title V, §6163, formerly title VI, §6163, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1890; renumbered title V, §6163, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, related to provision of technical assistance to States not making adequate yearly progress or meeting annual measurable achievement objectives.

Section 7325c, Pub. L. 89-10, title V, §6164, formerly title VI, §6164, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1891; renumbered title V, §6164, Pub. L. 114-95, title V, §5001(a), Dec. 10, 2015, 129 Stat. 2039, required annual reports to Congress.

Prior sections 7331 and 7332 were omitted in the general amendment of former subchapter VI by Pub. L. 107-110.

Section 7331, Pub. L. 89-10, title VI, §6201, as added Pub. L. 103-382, title I, §101, Oct. 20, 1994, 108 Stat. 3709; amended Pub. L. 105-278, §2(1), Oct. 22, 1998, 112 Stat. 2682, related to State uses of funds.

Section 7332, Pub. L. 89-10, title VI, §6202, as added Pub. L. 103-382, title I, §101, Oct. 20, 1994, 108 Stat. 3710, related to State applications.

#### AMENDMENTS

2015—Subsec. (a)(1). Pub. L. 114-95, §5002(5)(A)(i), substituted “all, or any lesser amount, of State funds” for “not more than 50 percent of the nonadministrative State funds” in introductory provisions, added subpars. (A) to (C), and struck out former subpars. (A) to (D) which read as follows:

“(A) Section 6613(a)(3) of this title.

“(B) Section 6762(a)(1) of this title.

“(C) Subsections (a)(1) (with the agreement of the Governor) and (c)(1) of section 7112 of this title and section 7172(c)(3) of this title.

“(D) Section 7211a(b) of this title.”

Pub. L. 114-95, §5002(3), substituted “part” for “subpart” in introductory provisions.

Subsec. (a)(2). Pub. L. 114-95, §5002(5)(A)(ii), added par. (2) and struck out former par. (2). Prior to amendment, text read as follows: “In accordance with this subpart and subject to the 50 percent limitation described in paragraph (1), a State may transfer any funds allotted to the State under a provision listed in paragraph (1) to its allotment under subchapter I of this chapter.”

Subsec. (b)(1)(A). Pub. L. 114-95, §5002(3), (5)(B)(i)(I), substituted “part” for “subpart” and “may transfer all, or any lesser amount, of the funds allocated to it” for “(except a local educational agency identified for improvement under section 6316(c) of this title or subject to corrective action under section 6316(c)(9) of this title) may transfer not more than 50 percent of the funds allocated to it (including funds transferred under subparagraph (C))”.

Subsec. (b)(1)(B), (C). Pub. L. 114-95, §5002(5)(B)(i)(II), added subpar. (B) and struck out former subpars. (B) and (C) which permitted transfers of allocated funds for agencies identified for improvement and for additional funds for subchapter I.

Subsec. (b)(2). Pub. L. 114-95, §5002(5)(B)(ii), substituted “subparagraph (A) or (B)” for “subparagraph (A), (B), or (C)” in introductory provisions, added subpars. (A) and (B), and struck out former subpars. (A) to (D) which read as follows:

“(A) Section 6621 of this title.

“(B) Section 6762(a)(2)(A) of this title.

“(C) Section 7112(b)(1) of this title.

“(D) Section 7211a(a) of this title.”

Subsec. (c). Pub. L. 114-95, §5002(5)(C), added subsec. (c) and struck out former subsec. (c). Prior to amendment, text read as follows: “A State or a local educational agency may not transfer under this subpart to any other program any funds allotted or allocated to it for part A of subchapter I of this chapter.”

Subsec. (e)(1). Pub. L. 114-95, §5002(3), substituted “part” for “subpart”.

Subsec. (e)(2). Pub. L. 114-95, §5002(5)(D), made technical amendment to reference in original act which appears in text as reference to section 7881 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.

### PART B—RURAL EDUCATION INITIATIVE

#### § 7341. Short title

This part may be cited as the “Rural Education Achievement Program”.

(Pub. L. 89-10, title V, §5201, formerly title VI, §6201, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1891; renumbered title V, §5201, Pub. L. 114-95, title V, §5001(a)(2), Dec. 10, 2015, 129 Stat. 2039, 2040.)

#### PRIOR PROVISIONS

A prior section 5201 of Pub. L. 89-10 was renumbered section 4301 and was classified to section 7221 of this title, prior to repeal by Pub. L. 114-95.

Another prior section 5201 of Pub. L. 89-10 was classified to section 7231 of this title, prior to the general amendment of former subchapter V of this chapter by Pub. L. 107-110.

#### § 7341a. Purpose

It is the purpose of this part to address the unique needs of rural school districts that frequently—

(1) lack the personnel and resources needed to compete effectively for Federal competitive grants; and

(2) receive formula grant allocations in amounts too small to be effective in meeting their intended purposes.

(Pub. L. 89-10, title V, §5202, formerly title VI, §6202, as added Pub. L. 107-110, title VI, §601, Jan. 8, 2002, 115 Stat. 1891; renumbered title V, §5202, Pub. L. 114-95, title V, §5001(a)(2), Dec. 10, 2015, 129 Stat. 2039, 2040.)

#### PRIOR PROVISIONS

A prior section 5202 of Pub. L. 89-10 was renumbered section 4302 and was classified to section 7221a of this title, prior to repeal by Pub. L. 114-95.

Another prior section 5202 of Pub. L. 89-10 was classified to section 7232 of this title, prior to the general amendment of former subchapter V of this chapter by Pub. L. 107-110.

#### REVIEW RELATING TO RURAL LOCAL EDUCATIONAL AGENCIES

Pub. L. 114-95, title V, §5005, Dec. 10, 2015, 129 Stat. 2045, provided that:

“(a) REVIEW AND REPORT.—Not later than 18 months after the date of enactment of this Act [Dec. 10, 2015], the Secretary of Education shall—

“(1) review the organization, structure, and process and procedures of the Department of Education for administering its programs and developing policy and regulations, in order to—

“(A) assess the methods and manner through which, and the extent to which, the Department of Education takes into account, considers input from, and addresses the unique needs and characteristics of rural schools and rural local educational agencies; and

“(B) determine actions that the Department of Education can take to meaningfully increase the consideration and participation of rural schools and rural local educational agencies in the development and execution of the processes, procedures, policies, and regulations of the Department of Education;

“(2) make public a preliminary report containing the information described in paragraph (1) and provide Congress and the public with 60 days to comment on the proposed actions described in paragraph (1)(B); and

“(3) issue a final report to the Committee on Health, Education, Labor, and Pensions of the Senate, and the Committee on Education and the Workforce of the House of Representatives, which shall describe the final actions developed pursuant to paragraph (1)(B) after taking into account the comments submitted under paragraph (2).

“(b) IMPLEMENTATION.—Not later than 2 years after the date of enactment of this Act [Dec. 10, 2015], the Secretary of Education shall—

“(1) carry out each action described in the report under subsection (a)(3); or

“(2) in a case in which an action is not carried out, provide a written explanation to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives of why the action was not carried out.”

### SUBPART 1—SMALL, RURAL SCHOOL ACHIEVEMENT PROGRAM

#### § 7345. Use of applicable funding

##### (a) Alternative uses

###### (1) In general

Notwithstanding any other provision of law, an eligible local educational agency may use the applicable funding that the agency is eligible to receive from the State educational agency for a fiscal year to carry out local activities authorized under any of the following provisions:

(A) Part A of subchapter I.

(B) Part A of subchapter II.

(C) Subchapter III.

(D) Part A or B of subchapter IV.

###### (2) Notification

An eligible local educational agency shall notify the State educational agency of the local educational agency’s intention to use the applicable funding in accordance with paragraph (1), by a date that is established by the State educational agency for the notification.

##### (b) Eligibility

###### (1) In general

A local educational agency shall be eligible to use the applicable funding in accordance with subsection (a) if—

(A)(i)(I) the total number of students in average daily attendance at all of the schools served by the local educational agency is fewer than 600; or