

113TH CONGRESS  
2D SESSION

# S. 2304

To amend the charter school program under the Elementary and Secondary Education Act of 1965.

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## IN THE SENATE OF THE UNITED STATES

MAY 7, 2014

Mr. KIRK (for himself, Ms. LANDRIEU, Mr. ALEXANDER, Mr. BENNET, Mrs. FEINSTEIN, Mr. PAUL, Mr. ISAKSON, Mr. RUBIO, Mr. VITTER, Mr. CORNYN, Mr. SCOTT, Mr. BOOKER, Mr. HATCH, Mr. CARPER, Mr. McCONNELL, and Mr. CRUZ) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend the charter school program under the Elementary and Secondary Education Act of 1965.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Expanding Oppor-  
5 tunity through Quality Charter Schools Act”.

6 **SEC. 2. REFERENCES.**

7 Except as otherwise specifically provided, whenever in  
8 this Act a section or other provision is amended or re-

1 pealed, such amendment or repeal shall be considered to  
2 be made to that section or other provision of the Elemen-  
3 tary and Secondary Education Act of 1965 (20 U.S.C.  
4 6301 et seq.).

5 **SEC. 3. PURPOSE.**

6 Section 5201 (20 U.S.C. 7221) is amended to read  
7 as follows:

8 **“SEC. 5201. PURPOSE.**

9 “It is the purpose of this subpart to—

10 “(1) improve the United States education sys-  
11 tem and educational opportunities for all individuals  
12 in the United States by supporting innovation in  
13 public education in public school settings that pre-  
14 pare students to compete in, and contribute to, the  
15 global economy;

16 “(2) provide financial assistance for the plan-  
17 ning, program design, and initial implementation of  
18 charter schools;

19 “(3) increase the number of high-quality char-  
20 ter schools available to students across the Nation;

21 “(4) evaluate the impact of such schools on stu-  
22 dent achievement, families, and communities, and  
23 share best practices among charter schools and other  
24 public schools;

1           “(5) encourage States to provide support to  
2 charter schools for facilities financing in an amount  
3 more nearly commensurate to the amount the States  
4 have typically provided for traditional public schools;

5           “(6) expand opportunities for students with dis-  
6 abilities, students who are limited English proficient,  
7 and other traditionally underserved students to at-  
8 tend charter schools and meet challenging State aca-  
9 demic achievement standards; and

10           “(7) support efforts to strengthen the charter  
11 school authorizing process in order to improve per-  
12 formance management, including transparency, mon-  
13 itoring, and evaluation of such schools.”.

14 **SEC. 4. PROGRAM AUTHORIZED.**

15           Section 5202 (20 U.S.C. 7221a) is amended to read  
16 as follows:

17 **“SEC. 5202. PROGRAM AUTHORIZED.**

18           “(a) IN GENERAL.—The Secretary is authorized to  
19 carry out a charter school program that supports charter  
20 schools that serve elementary school and secondary school  
21 students by—

22           “(1) supporting the startup of charter schools,  
23 the replication of high-quality charter schools, and  
24 the expansion of high-quality charter schools;

1           “(2) assisting charter schools in accessing cred-  
2           it to acquire and renovate facilities for school use;  
3           and

4           “(3) carrying out national activities to sup-  
5           port—

6                   “(A) the startup of charter schools, the  
7                   replication of high-quality charter schools, and  
8                   the expansion of high-quality charter schools;

9                   “(B) the dissemination of best practices of  
10                  charter schools for all schools;

11                  “(C) the evaluation of the impact of the  
12                  charter school program on schools participating  
13                  in such program; and

14                  “(D) stronger charter school authorizing.

15           “(b) FUNDING ALLOTMENT.—From the amount  
16           made available under section 5211 for a fiscal year, the  
17           Secretary shall—

18                   “(1) reserve 12.5 percent to support charter  
19                   school facilities assistance under section 5204;

20                   “(2) reserve not less than 25 percent to carry  
21                   out national activities under section 5205; and

22                   “(3) use the remaining amount after the res-  
23                   ervations under paragraphs (1) and (2) to carry out  
24                   section 5203.



1           “(A) to open new charter schools;

2           “(B) to replicate high-quality charter  
3 schools; or

4           “(C) to expand high-quality charter  
5 schools; and

6           “(2) provide technical assistance to eligible ap-  
7 plicants and authorized public chartering agencies in  
8 carrying out the activities described in paragraph (1)  
9 and work with authorized public chartering agencies  
10 in the State to improve authorizing quality.

11       “(c) STATE ENTITY USES OF FUNDS.—

12           “(1) IN GENERAL.—A State entity receiving a  
13 grant under this section shall—

14           “(A) use not less than 90 percent of the  
15 grant funds to award subgrants to eligible ap-  
16 plicants, in accordance with the quality charter  
17 school program described in the entity’s appli-  
18 cation pursuant to subsection (f), for the pur-  
19 poses described in subparagraphs (A) through  
20 (C) of subsection (b)(1);

21           “(B) reserve not less than 7 percent of  
22 such funds to carry out the activities described  
23 in subsection (b)(2); and

24           “(C) reserve not more than 3 percent of  
25 such funds for administrative costs, which may

1 include the administrative costs of providing  
2 technical assistance.

3 “(2) CONTRACTS AND GRANTS.—A State entity  
4 may use a grant received under this section to carry  
5 out the activities described in subparagraph (A) of  
6 paragraph (1) directly or through grants, contracts,  
7 or cooperative agreements.

8 “(3) RULE OF CONSTRUCTION.—Nothing in  
9 this Act shall prohibit the Secretary from awarding  
10 grants to State entities, or State entities from  
11 awarding subgrants to eligible applicants, that use a  
12 weighted lottery, or an equivalent lottery mechanism,  
13 to give better chances for school admission to all or  
14 a subset of educationally disadvantaged students  
15 if—

16 “(A) the use of a weighted lottery in favor  
17 of such students is not prohibited by State law,  
18 and such State law is consistent with the laws  
19 described in subparagraph (G) of section  
20 5210(2); and

21 “(B) such weighted lottery is not used for  
22 the purpose of creating schools exclusively to  
23 serve a particular subset of students.

24 “(d) PROGRAM PERIODS; PEER REVIEW; DISTRIBUTION OF SUBGRANTS; WAIVERS.—  
25

1           “(1) PROGRAM PERIODS.—

2                   “(A) GRANTS.—A grant awarded by the  
3           Secretary to a State entity under this section  
4           shall be for a period of not more than 3 years,  
5           and may be renewed by the Secretary for 1 ad-  
6           ditional 2-year period.

7                   “(B) SUBGRANTS.—A subgrant awarded  
8           by a State entity under this section—

9                           “(i) shall be for a period of not more  
10                           than 3 years, of which an eligible applicant  
11                           may use not more than 18 months for  
12                           planning and program design; and

13                           “(ii) may be renewed by the State en-  
14                           tity for 1 additional 2-year period.

15           “(2) PEER REVIEW.—The Secretary, and each  
16           State entity awarding subgrants under this section,  
17           shall use a peer review process to review applications  
18           for assistance under this section.

19           “(3) DISTRIBUTION OF SUBGRANTS.—Each  
20           State entity awarding subgrants under this section  
21           shall award subgrants in a manner that, to the ex-  
22           tent practicable and applicable, ensures that such  
23           subgrants—



1           “(A) prioritize eligible applicants that plan  
2           to serve a significant number of students from  
3           low-income families;

4           “(B) are distributed throughout different  
5           areas, including urban, suburban, and rural  
6           areas; and

7           “(C) will assist charter schools rep-  
8           resenting a variety of educational approaches.

9           “(4) WAIVERS.—The Secretary may waive any  
10          statutory or regulatory requirement over which the  
11          Secretary exercises administrative authority, except  
12          any such requirement relating to the elements of a  
13          charter school described in section 5210(2), if—

14               “(A) the waiver is requested in an ap-  
15               proved application under this section; and

16               “(B) the Secretary determines that grant-  
17               ing such a waiver will promote the purposes of  
18               this subpart.

19          “(e) LIMITATIONS.—

20               “(1) GRANTS.—A State entity may not receive  
21               more than 1 grant under this section at a time.

22               “(2) SUBGRANTS.—An eligible applicant may  
23               not receive more than 1 subgrant under this section  
24               for each individual charter school for each grant pe-  
25               riod or renewal period, unless the eligible applicant

1 demonstrates to the State entity that the charter  
2 school has demonstrated a strong track record of  
3 positive results over the course of the grant period  
4 regarding the elements described in subparagraphs  
5 (A) and (D) of section 5210(8).

6 “(f) APPLICATIONS.—A State entity desiring to re-  
7 ceive a grant under this section shall submit an application  
8 to the Secretary at such time and in such manner as the  
9 Secretary may require. The application shall include the  
10 following:

11 “(1) DESCRIPTION OF PROGRAM.—A descrip-  
12 tion of the State entity’s objectives in running a  
13 quality charter school program under this section  
14 and how the objectives of the program will be car-  
15 ried out, including—

16 “(A) a description of how the State entity  
17 will—

18 “(i) support the opening of new char-  
19 ter schools and, if applicable, the replica-  
20 tion of high-quality charter schools and the  
21 expansion of high-quality charter schools,  
22 and the proposed number of charter  
23 schools to be opened, replicated, or ex-  
24 panded under the State entity’s program;

1           “(ii) inform eligible charter schools,  
2           developers, and authorized public char-  
3           tering agencies of the availability of funds  
4           under the program;

5           “(iii) work with eligible applicants to  
6           ensure that the eligible applicants access  
7           all Federal funds that such applicants are  
8           eligible to receive, and help the charter  
9           schools supported by such applicants and  
10          the students attending those charter  
11          schools—

12                   “(I) participate in the Federal  
13                   programs in which the schools and  
14                   students are eligible to participate;  
15                   and

16                   “(II) receive the commensurate  
17                   share of Federal funds the schools  
18                   and students are eligible to receive  
19                   under such programs;

20           “(iv) in the case of a State entity that  
21          is not a State educational agency—

22                   “(I) work with the State edu-  
23                   cational agency and the charter  
24                   schools in the State to maximize char-  
25                   ter school participation in Federal and

1 State programs for charter schools;  
2 and

3 “(II) work with the State edu-  
4 cational agency to operate the State  
5 entity’s program under this section, if  
6 applicable;

7 “(v) ensure each eligible applicant  
8 that receives a subgrant under the State  
9 entity’s program—

10 “(I) is opening or expanding  
11 schools that meet the definition of a  
12 charter school under section 5210(2);  
13 and

14 “(II) is prepared to continue to  
15 operate such charter schools once the  
16 subgrant funds under this section are  
17 no longer available;

18 “(vi) support charter schools in local  
19 educational agencies with large numbers of  
20 schools that have been identified by the  
21 State for improvement;

22 “(vii) work with charter schools to  
23 promote inclusion of all students and sup-  
24 port all students upon enrollment in order

1 to promote retention of students in the  
2 school;

3 “(viii) work with charter schools on  
4 recruitment practices, including efforts to  
5 engage groups that may otherwise have  
6 limited opportunities to attend charter  
7 schools;

8 “(ix) share best and promising prac-  
9 tices among charter schools and other pub-  
10 lic schools;

11 “(x) ensure that charter schools re-  
12 ceiving funds under the State entity’s pro-  
13 gram meet the educational needs of their  
14 students, including students with disabil-  
15 ities and students who are limited English  
16 proficient; and

17 “(xi) support efforts to increase char-  
18 ter school quality initiatives, including  
19 meeting the quality authorizing elements  
20 described in paragraph (2)(D);

21 “(B) a description of how the State will ac-  
22 tively monitor and hold authorized public char-  
23 tering agencies accountable to ensure high-qual-  
24 ity authorizing activity, including by estab-  
25 lishing authorizing standards and by approving,

1 re-approving, and revoking the authority of an  
2 authorized public chartering agency based on  
3 the performance of the charter schools author-  
4 ized by such agency in the areas of student  
5 achievement, student safety, financial manage-  
6 ment, and compliance with all applicable stat-  
7 utes;

8 “(C) a description of the extent to which  
9 the State entity—

10 “(i) is able to meet and carry out the  
11 priorities described in subsection (g)(2);  
12 and

13 “(ii) is working to develop or  
14 strengthen a cohesive statewide system to  
15 support the opening of new charter schools  
16 and, if applicable, the replication of high-  
17 quality charter schools and the expansion  
18 of high-quality charter schools;

19 “(D) a description of how the State entity  
20 will award subgrants, on a competitive basis, in-  
21 cluding—

22 “(i) a description of the application  
23 each eligible applicant desiring to receive a  
24 subgrant will be required to submit, which  
25 application shall include—

1           “(I) a description of the roles  
2           and responsibilities of eligible appli-  
3           cants and of any charter management  
4           organizations or other organizations  
5           with which the eligible applicant will  
6           partner to open charter schools, in-  
7           cluding administrative and contractual  
8           roles and responsibilities;

9           “(II) a description of the quality  
10          controls agreed to between the eligible  
11          applicant and the authorized public  
12          chartering agency involved, such as a  
13          contract or performance agreement,  
14          and how a school’s performance on  
15          the State’s academic accountability  
16          system and impact on student  
17          achievement, which may include stu-  
18          dent growth, will be primary factors  
19          for renewal or revocation of the  
20          school’s charter; and

21          “(III) a description of how the  
22          autonomy and flexibility granted to  
23          the charter school are consistent with  
24          the definition of a charter school in  
25          section 5210(2); and

1                   “(IV) a description of the  
2                   planned activities and expenditures of  
3                   subgrant funds for purposes of open-  
4                   ing a new charter school, replicating a  
5                   high-quality charter school, or expand-  
6                   ing a high-quality charter school, and  
7                   how the charter school will maintain  
8                   financial sustainability after the end  
9                   of the subgrant period; and

10                   “(ii) a description of how the State  
11                   entity will review applications from eligible  
12                   applicants;

13                   “(E) in the case of a State entity that  
14                   partners with an outside organization to carry  
15                   out the State entity’s quality charter school  
16                   program, in whole or in part, a description of  
17                   the roles and responsibilities of the partner; and

18                   “(F) a description of how the State entity  
19                   will help the charter schools receiving funds  
20                   under the State entity’s program address the  
21                   transportation needs of the schools’ students.

22                   “(2) ASSURANCES.—Assurances that—

23                   “(A) each charter school receiving funds  
24                   through the State entity’s grant program will  
25                   have a high degree of autonomy over budget



1 and operations, including autonomy over per-  
2 sonnel decisions;

3 “(B) the State entity will support charter  
4 schools in meeting the educational needs of  
5 their students, as described in paragraph  
6 (1)(A)(x);

7 “(C) the State entity will ensure that the  
8 authorized public chartering agency of any  
9 charter school that receives funds under the en-  
10 tity’s program—

11 “(i) ensures that each charter school  
12 under the authority of such agency is  
13 meeting the requirements of this Act, part  
14 B of the Individuals with Disabilities Edu-  
15 cation Act, title VI of the Civil Rights Act  
16 of 1964, and section 504 of the Rehabilita-  
17 tion Act of 1973; and

18 “(ii) adequately monitors and provides  
19 adequate technical assistance to each char-  
20 ter school under the authority of such  
21 agency in recruiting, enrolling, and meet-  
22 ing the needs of all students, including stu-  
23 dents with disabilities and students who  
24 are limited English proficient;

1           “(D) the State entity will promote quality  
2 authorizing, such as through providing technical  
3 assistance, to support all authorized public  
4 chartering agencies in the State in improving  
5 the monitoring of the charter schools authorized  
6 by such agency, including by—

7           “(i) using annual performance data,  
8 which may include graduation rates and  
9 student academic growth data, as appro-  
10 priate, to measure a school’s progress to-  
11 ward becoming a high-quality charter  
12 school;

13           “(ii) reviewing the schools’ inde-  
14 pendent, annual audits of financial state-  
15 ments conducted in accordance with gen-  
16 erally accepted accounting principles, and  
17 ensuring any such audits are publically re-  
18 ported; and

19           “(iii) holding charter schools account-  
20 able to the academic, financial, and oper-  
21 ational quality controls agreed to between  
22 the charter school and the authorized pub-  
23 lic chartering agency involved, such as  
24 through renewal, non-renewal, or revoca-  
25 tion of the school’s charter; and

1           “(E) the State entity will ensure that each  
2 charter school in the State makes publicly avail-  
3 able, consistent with the dissemination require-  
4 ments of the annual State report card, informa-  
5 tion to help parents make informed decisions  
6 about the education options available to their  
7 children, including information on the edu-  
8 cational program, student support services, and  
9 annual performance and enrollment data for the  
10 groups of students described in section  
11 1111(b)(2)(C)(v)(II).

12           “(3) REQUESTS FOR WAIVERS.—A request and  
13 justification for waivers of any Federal statutory or  
14 regulatory provisions that the State entity believes  
15 are necessary for the successful operation of the  
16 charter schools that will receive funds under the en-  
17 tity’s program under this section, and a description  
18 of any State or local rules, generally applicable to  
19 public schools, that will be waived, or otherwise not  
20 apply, to such schools or, in the case of a State enti-  
21 ty defined in subsection (a)(4), a description of how  
22 the State entity will work with the State to request  
23 necessary waivers, if applicable.

24           “(g) SELECTION CRITERIA; PRIORITY.—

1           “(1) SELECTION CRITERIA.—The Secretary  
2 shall award grants to State entities under this sec-  
3 tion on the basis of the quality of the applications  
4 submitted under subsection (f), after taking into  
5 consideration—

6           “(A) the degree of flexibility afforded by  
7 the State’s public charter school law and how  
8 the State entity will work to maximize the flexi-  
9 bility provided to charter schools under the law;

10           “(B) the proposed number of new charter  
11 schools to be opened, and, if applicable, the  
12 number of high-quality charter schools to be  
13 replicated or expanded under the program, and  
14 the number of new students to be served by  
15 such schools;

16           “(C) the likelihood that the schools opened,  
17 replicated, or expanded by eligible applicants re-  
18 ceiving subgrant funds will increase the aca-  
19 demic achievement of the school’s students and  
20 progress toward becoming high-quality charter  
21 schools; and

22           “(D) the quality of the State entity’s plan  
23 to—

1           “(i) monitor the eligible applicants re-  
2           ceiving subgrants under the State entity’s  
3           program; and

4           “(ii) provide technical assistance and  
5           support for—

6                   “(I) the eligible applicants receiv-  
7                   ing subgrants under the State entity’s  
8                   program; and

9                   “(II) quality authorizing efforts  
10                  in the State.

11           “(2) PRIORITY.—In awarding grants under this  
12           section, the Secretary shall give priority to a State  
13           entity to the extent that the entity meets the fol-  
14           lowing criteria:

15                   “(A) The State entity is located in a State  
16           that—

17                   “(i) allows at least one entity that is  
18                   not a local educational agency to be an au-  
19                   thorized public chartering agency for each  
20                   developer seeking to open a charter school  
21                   in the State; or

22                   “(ii) in the case of a State in which  
23                   local educational agencies are the only au-  
24                   thorized public chartering agencies, the

1 State has an appeals process for the denial  
2 of an application for a charter school.

3 “(B) The State entity is located in a State  
4 that ensures that charter schools receive equi-  
5 table financing, as compared to traditional pub-  
6 lic schools, in a prompt manner.

7 “(C) The State entity is located in a State  
8 that provides charter schools one or more of the  
9 following:

10 “(i) Funding for facilities.

11 “(ii) Assistance with facilities acquisi-  
12 tion.

13 “(iii) Access to public facilities.

14 “(iv) The ability to share in bonds or  
15 mill levies.

16 “(v) The right of first refusal to pur-  
17 chase public school buildings.

18 “(vi) Low- or no-cost leasing privi-  
19 leges.

20 “(D) The State entity is located in a State  
21 that uses best practices from charter schools to  
22 help improve struggling schools and local edu-  
23 cational agencies.

24 “(E) The State entity supports charter  
25 schools that support at-risk students through

1 activities such as dropout prevention or dropout  
2 recovery.

3 “(F) The State entity ensures that each  
4 charter school has a high degree of autonomy  
5 over the charter school’s budget and operations,  
6 including autonomy over personnel decisions.

7 “(G) The State entity has taken steps to  
8 ensure that all authorizing public chartering  
9 agencies implement best practices for charter  
10 school authorizing.

11 “(h) LOCAL USES OF FUNDS.—An eligible applicant  
12 receiving a subgrant under this section shall use such  
13 funds to carry out activities related to opening a new char-  
14 ter school, replicating a high-quality charter school, or ex-  
15 panding a high-quality charter school, which may in-  
16 clude—

17 “(1) supporting the acquisition, expansion, or  
18 preparation of a charter school building to meet in-  
19 creasing enrollment needs, including financing the  
20 development of a new building and ensuring that a  
21 school building complies with applicable statutes and  
22 regulations;

23 “(2) paying costs associated with hiring addi-  
24 tional teachers to serve additional students;

1           “(3) providing transportation to students to  
2           and from the charter school;

3           “(4) providing instructional materials, imple-  
4           menting teacher and principal professional develop-  
5           ment programs, and hiring additional non-teaching  
6           staff; and

7           “(5) supporting any necessary activities that as-  
8           sist the charter school in carrying out the purposes  
9           of this section, such as preparing individuals to serve  
10          as members of the charter school’s board.

11          “(i) REPORTING REQUIREMENTS.—Each State entity  
12          receiving a grant under this section shall submit to the  
13          Secretary, at the end of the third year of the grant period  
14          and at the end of any renewal period, a report that in-  
15          cludes the following:

16                 “(1) The number of students served by each  
17                 subgrant awarded under this section and, if applica-  
18                 ble, the number of new students served during each  
19                 year of the subgrant period.

20                 “(2) The number and amount of subgrants  
21                 awarded under this section to carry out each of the  
22                 following:

23                         “(A) The opening of new charter schools.

24                         “(B) The replication of high-quality char-  
25                         ter schools.



1           “(C) The expansion of high-quality charter  
2 schools.

3           “(3) The progress the State entity made toward  
4 meeting the priorities described in subsection (g)(2),  
5 as applicable.

6           “(4) A description of—

7           “(A) how the State entity complied with,  
8 and ensured that eligible applicants complied  
9 with, the assurances described in the State enti-  
10 ty’s application; and

11           “(B) how the State entity worked with au-  
12 thorized public chartering agencies, including  
13 how the agencies worked with the management  
14 company or leadership of the schools that re-  
15 ceived subgrant funds, if applicable.”.

16 **SEC. 6. FACILITIES FINANCING ASSISTANCE.**

17       Section 5204 (20 U.S.C. 7221c) is amended to read  
18 as follows:

19 **“SEC. 5204. FACILITIES FINANCING ASSISTANCE.**

20       “(a) GRANTS TO ELIGIBLE ENTITIES.—

21           “(1) IN GENERAL.—From the amount reserved  
22 under section 5202(b)(1), the Secretary shall use  
23 not less than 50 percent to award not less than 3  
24 grants, on a competitive basis, to eligible entities  
25 that have the highest-quality applications approved

1 under subsection (d) to demonstrate innovative  
2 methods of assisting charter schools to address the  
3 cost of acquiring, constructing, and renovating facili-  
4 ties by enhancing the availability of loans or bond fi-  
5 nancing.

6 “(2) ELIGIBLE ENTITY DEFINED.—For pur-  
7 poses of this section, the term ‘eligible entity’  
8 means—

9 “(A) a public entity, such as a State or  
10 local governmental entity;

11 “(B) a private nonprofit entity; or

12 “(C) a consortium of entities described in  
13 subparagraphs (A) and (B).

14 “(b) GRANTEE SELECTION.—The Secretary shall  
15 evaluate each application submitted under subsection (d),  
16 and shall determine whether the application is sufficient  
17 to merit approval.

18 “(c) GRANT CHARACTERISTICS.—Grants under sub-  
19 section (a) shall be of a sufficient size, scope, and quality  
20 so as to ensure an effective demonstration of an innovative  
21 means of enhancing credit for the financing of charter  
22 school acquisition, construction, or renovation.

23 “(d) APPLICATIONS.—

24 “(1) IN GENERAL.—To receive a grant under  
25 subsection (a), an eligible entity shall submit to the

1 Secretary an application in such form as the Sec-  
2 retary may reasonably require.

3 “(2) CONTENTS.—An application submitted  
4 under paragraph (1) shall contain—

5 “(A) a statement identifying the activities  
6 proposed to be undertaken with funds received  
7 under subsection (a), including how the eligible  
8 entity will determine which charter schools will  
9 receive assistance, and how much and what  
10 types of assistance charter schools will receive;

11 “(B) a description of the involvement of  
12 charter schools in the application’s development  
13 and the design of the proposed activities;

14 “(C) a description of the eligible entity’s  
15 expertise in capital market financing;

16 “(D) a description of how the proposed ac-  
17 tivities will leverage the maximum amount of  
18 private-sector financing capital relative to the  
19 amount of government funding used and other-  
20 wise enhance credit available to charter schools,  
21 including how the entity will offer a combina-  
22 tion of rates and terms more favorable than the  
23 rates and terms that a charter school could re-  
24 ceive without assistance from the entity under  
25 this section;

1           “(E) a description of how the eligible enti-  
2           ty possesses sufficient expertise in education to  
3           evaluate the likelihood of success of a charter  
4           school program for which facilities financing is  
5           sought; and

6           “(F) in the case of an application sub-  
7           mitted by a State governmental entity, a de-  
8           scription of the actions that the entity has  
9           taken, or will take, to ensure that charter  
10          schools within the State receive the funding the  
11          charter schools need to have adequate facilities.

12          “(e) CHARTER SCHOOL OBJECTIVES.—An eligible  
13          entity receiving a grant under this section shall use the  
14          funds deposited in the reserve account established under  
15          subsection (f) to assist one or more charter schools in ac-  
16          cessing private sector capital to accomplish one or more  
17          of the following objectives:

18                 “(1) The acquisition (by purchase, lease, dona-  
19                 tion, or otherwise) of an interest (including an inter-  
20                 est held by a third party for the benefit of a charter  
21                 school) in improved or unimproved real property  
22                 that is necessary to commence or continue the oper-  
23                 ation of a charter school.

24                 “(2) The construction of new facilities, includ-  
25                 ing predevelopment costs, or the renovation, repair,

1 or alteration of existing facilities, necessary to com-  
2 mence or continue the operation of a charter school.

3 “(3) The predevelopment costs required to as-  
4 sess sites for purposes of paragraph (1) or (2) and  
5 which are necessary to commence or continue the  
6 operation of a charter school.

7 “(f) RESERVE ACCOUNT.—

8 “(1) USE OF FUNDS.—To assist charter schools  
9 to accomplish the objectives described in subsection  
10 (e), an eligible entity receiving a grant under sub-  
11 section (a) shall, in accordance with State and local  
12 law, directly or indirectly, alone or in collaboration  
13 with others, deposit the funds received under sub-  
14 section (a) (other than funds used for administrative  
15 costs in accordance with subsection (g)) in a reserve  
16 account established and maintained by the eligible  
17 entity for this purpose. Amounts deposited in such  
18 account shall be used by the eligible entity for one  
19 or more of the following purposes:

20 “(A) Guaranteeing, insuring, and rein-  
21 suring bonds, notes, evidences of debt, loans,  
22 and interests therein, the proceeds of which are  
23 used for an objective described in subsection  
24 (e).

1           “(B) Guaranteeing and insuring leases of  
2           personal and real property for an objective de-  
3           scribed in such subsection.

4           “(C) Facilitating financing by identifying  
5           potential lending sources, encouraging private  
6           lending, and other similar activities that di-  
7           rectly promote lending to, or for the benefit of,  
8           charter schools.

9           “(D) Facilitating the issuance of bonds by  
10          charter schools, or by other public entities for  
11          the benefit of charter schools, by providing  
12          technical, administrative, and other appropriate  
13          assistance (including the recruitment of bond  
14          counsel, underwriters, and potential investors  
15          and the consolidation of multiple charter school  
16          projects within a single bond issue).

17          “(2) INVESTMENT.—Funds received under this  
18          section and deposited in the reserve account estab-  
19          lished under paragraph (1) shall be invested in obli-  
20          gations issued or guaranteed by the United States or  
21          a State, or in other similarly low-risk securities.

22          “(3) REINVESTMENT OF EARNINGS.—Any earn-  
23          ings on funds received under subsection (a) shall be  
24          deposited in the reserve account established under

1 paragraph (1) and used in accordance with such  
2 subsection.

3 “(g) LIMITATION ON ADMINISTRATIVE COSTS.—An  
4 eligible entity may use not more than 2.5 percent of the  
5 funds received under subsection (a) for the administrative  
6 costs of carrying out its responsibilities under this section  
7 (excluding subsection (k)).

8 “(h) AUDITS AND REPORTS.—

9 “(1) FINANCIAL RECORD MAINTENANCE AND  
10 AUDIT.—The financial records of each eligible entity  
11 receiving a grant under subsection (a) shall be main-  
12 tained in accordance with generally accepted ac-  
13 counting principles and shall be subject to an annual  
14 audit by an independent public accountant.

15 “(2) REPORTS.—

16 “(A) GRANTEE ANNUAL REPORTS.—Each  
17 eligible entity receiving a grant under sub-  
18 section (a) annually shall submit to the Sec-  
19 retary a report of the entity’s operations and  
20 activities under this section.

21 “(B) CONTENTS.—Each annual report  
22 submitted under subparagraph (A) shall in-  
23 clude—

24 “(i) a copy of the most recent finan-  
25 cial statements, and any accompanying

1 opinion on such statements, prepared by  
2 the independent public accountant review-  
3 ing the financial records of the eligible en-  
4 tity;

5 “(ii) a copy of any report made on an  
6 audit of the financial records of the eligible  
7 entity that was conducted under paragraph  
8 (1) during the reporting period;

9 “(iii) an evaluation by the eligible en-  
10 tity of the effectiveness of its use of the  
11 Federal funds provided under subsection  
12 (a) in leveraging private funds;

13 “(iv) a listing and description of the  
14 charter schools served during the reporting  
15 period, including the amount of funds used  
16 by each school, the type of project facili-  
17 tated by the grant, and the type of assist-  
18 ance provided to the charter schools;

19 “(v) a description of the activities car-  
20 ried out by the eligible entity to assist  
21 charter schools in meeting the objectives  
22 set forth in subsection (e); and

23 “(vi) a description of the characteris-  
24 tics of lenders and other financial institu-  
25 tions participating in the activities under-



1 taken by the eligible entity under this sec-  
2 tion (excluding subsection (k)) during the  
3 reporting period.

4 “(C) SECRETARIAL REPORT.—The Sec-  
5 retary shall review the reports submitted under  
6 subparagraph (A) and shall provide a com-  
7 prehensive annual report to Congress on the ac-  
8 tivities conducted under this section (excluding  
9 subsection (k)).

10 “(i) NO FULL FAITH AND CREDIT FOR GRANTEE  
11 OBLIGATION.—No financial obligation of an eligible entity  
12 entered into pursuant to this section (such as an obliga-  
13 tion under a guarantee, bond, note, evidence of debt, or  
14 loan) shall be an obligation of, or guaranteed in any re-  
15 spect by, the United States. The full faith and credit of  
16 the United States is not pledged to the payment of funds  
17 which may be required to be paid under any obligation  
18 made by an eligible entity pursuant to any provision of  
19 this section.

20 “(j) RECOVERY OF FUNDS.—

21 “(1) IN GENERAL.—The Secretary, in accord-  
22 ance with chapter 37 of title 31, United States  
23 Code, shall collect—

24 “(A) all of the funds in a reserve account  
25 established by an eligible entity under sub-

1 section (f)(1) if the Secretary determines, not  
2 earlier than 2 years after the date on which the  
3 eligible entity first received funds under this  
4 section (excluding subsection (k)), that the eli-  
5 gible entity has failed to make substantial  
6 progress in carrying out the purposes described  
7 in subsection (f)(1); or

8 “(B) all or a portion of the funds in a re-  
9 serve account established by an eligible entity  
10 under subsection (f)(1) if the Secretary deter-  
11 mines that the eligible entity has permanently  
12 ceased to use all or a portion of the funds in  
13 such account to accomplish any purpose de-  
14 scribed in such subsection.

15 “(2) EXERCISE OF AUTHORITY.—The Secretary  
16 shall not exercise the authority provided in para-  
17 graph (1) to collect from any eligible entity any  
18 funds that are being properly used to achieve one or  
19 more of the purposes described in subsection (f)(1).

20 “(3) PROCEDURES.—The provisions of sections  
21 451, 452, and 458 of the General Education Provi-  
22 sions Act shall apply to the recovery of funds under  
23 paragraph (1).

24 “(4) CONSTRUCTION.—This subsection shall  
25 not be construed to impair or affect the authority of

1 the Secretary to recover funds under part D of the  
2 General Education Provisions Act.

3 “(k) PER-PUPIL FACILITIES AID PROGRAM.—

4 “(1) DEFINITION OF PER-PUPIL FACILITIES AID  
5 PROGRAM.—In this subsection, the term ‘per-pupil  
6 facilities aid program’ means a program in which a  
7 State makes payments, on a per-pupil basis, to char-  
8 ter schools to provide the schools with financing—

9 “(A) that is dedicated solely for funding  
10 charter school facilities; or

11 “(B) a portion of which is dedicated for  
12 funding charter school facilities.

13 “(2) GRANTS.—

14 “(A) IN GENERAL.—From the amount re-  
15 served under section 5202(b)(1) and remaining  
16 after the Secretary makes grants under sub-  
17 section (a), the Secretary shall make grants, on  
18 a competitive basis, to States to pay for the  
19 Federal share of the cost of establishing or en-  
20 hancing, and administering, per-pupil facilities  
21 aid programs.

22 “(B) PERIOD.—The Secretary shall award  
23 grants under this subsection for periods of not  
24 more than 5 years.

1           “(C) FEDERAL SHARE.—The Federal  
2 share of the cost described in subparagraph (A)  
3 for a per-pupil facilities aid program shall be  
4 not more than—

5           “(i) 90 percent of the cost, for the  
6 first fiscal year for which the program re-  
7 ceives assistance under this subsection;

8           “(ii) 80 percent for the second such  
9 year;

10          “(iii) 60 percent for the third such  
11 year;

12          “(iv) 40 percent for the fourth such  
13 year; and

14          “(v) 20 percent for the fifth such  
15 year.

16          “(D) STATE SHARE.—A State receiving a  
17 grant under this subsection may partner with 1  
18 or more organizations to provide up to 50 per-  
19 cent of the State share of the cost of estab-  
20 lishing or enhancing, and administering, the  
21 per-pupil facilities aid program.

22          “(E) MULTIPLE GRANTS.—A State may  
23 receive more than 1 grant under this sub-  
24 section, so long as the amount of such grant

1 funds provided to charter schools increases with  
2 each successive grant.

3 “(3) USE OF FUNDS.—

4 “(A) IN GENERAL.—A State that receives  
5 a grant under this subsection shall use the  
6 funds made available through the grant to es-  
7 tablish or enhance, and administer, a per-pupil  
8 facilities aid program for charter schools in the  
9 State.

10 “(B) EVALUATIONS; TECHNICAL ASSIST-  
11 ANCE; DISSEMINATION.—From the amount  
12 made available to a State through a grant  
13 under this subsection for a fiscal year, the State  
14 may reserve not more than 5 percent to carry  
15 out evaluations, to provide technical assistance,  
16 and to disseminate information.

17 “(C) SUPPLEMENT, NOT SUPPLANT.—  
18 Funds made available under this subsection  
19 shall be used to supplement, and not supplant,  
20 State and local public funds expended to pro-  
21 vide per-pupil facilities aid programs, operations  
22 financing programs, or other programs, for  
23 charter schools.

24 “(4) REQUIREMENTS.—

1           “(A) VOLUNTARY PARTICIPATION.—No  
2 State may be required to participate in a pro-  
3 gram carried out under this subsection.

4           “(B) STATE LAW.—

5           “(i) IN GENERAL.—To be eligible to  
6 receive a grant under this subsection, a  
7 State shall establish or enhance, and ad-  
8 minister, a per-pupil facilities aid program  
9 for charter schools in the State, that—

10                   “(I) is specified in State law; and

11                   “(II) provides annual financing,  
12 on a per-pupil basis, for charter  
13 school facilities.

14           “(ii) SPECIAL RULE.—A State that is  
15 required under State law to provide char-  
16 ter schools in the State with access to ade-  
17 quate facility space may be eligible to re-  
18 ceive a grant under this subsection if the  
19 State agrees to use the funds to develop a  
20 per-pupil facilities aid program consistent  
21 with the requirements of this subsection.

22           “(5) APPLICATIONS.—To be eligible to receive a  
23 grant under this subsection, a State shall submit an  
24 application to the Secretary at such time, in such

1 manner, and containing such information as the Sec-  
2 retary may require.”.

3 **SEC. 7. NATIONAL ACTIVITIES.**

4 Section 5205 (20 U.S.C. 7221d) is amended to read  
5 as follows:

6 **“SEC. 5205. NATIONAL ACTIVITIES.**

7 “(a) IN GENERAL.—From the amount reserved  
8 under section 5202(b)(2), the Secretary shall—

9 “(1) use not less than 80 percent of such funds  
10 to award grants in accordance with subsection (b);  
11 and

12 “(2) use the remainder of such funds to—

13 “(A) disseminate technical assistance to  
14 State entities in awarding subgrants under sec-  
15 tion 5203(b)(1)(A);

16 “(B) disseminate best practices regarding  
17 public charter schools;

18 “(C) evaluate the impact of the charter  
19 school program carried out under this subpart,  
20 including the impact on student achievement;  
21 and

22 “(D) make grants, on a competitive basis,  
23 for the purpose of carrying out the activities de-  
24 scribed in section 5203(h), to eligible applicants  
25 that desire to open a charter school, replicate a

1 high-quality charter school, or expand a high-  
2 quality charter school in—

3 “(i) a State that did not apply for a  
4 grant under section 5203; or

5 “(ii) a State that did not receive a  
6 grant under section 5203.

7 “(b) GRANTS FOR THE REPLICATION AND EXPAN-  
8 SION OF HIGH-QUALITY CHARTER SCHOOLS.—The Sec-  
9 retary shall make grants, on a competitive basis, to eligible  
10 entities having applications approved under paragraph (2)  
11 to enable such entities to replicate a high-quality charter  
12 school or expand a high-quality charter school.

13 “(1) DEFINITION OF ELIGIBLE ENTITY.—For  
14 purposes of this subsection, the term ‘eligible entity’  
15 means—

16 “(A) a charter management organization  
17 that, at the time of the application, operates or  
18 manages one or more high-quality charter  
19 schools; or

20 “(B) a nonprofit organization that oversees  
21 and coordinates the activities of a group of such  
22 charter management organizations.

23 “(2) APPLICATION REQUIREMENTS.—An eligi-  
24 ble entity desiring to receive a grant under this sub-  
25 section shall submit an application to the Secretary



1 at such time and in such manner as the Secretary  
2 may require. The application shall include the fol-  
3 lowing:

4 “(A) A description of the eligible entity’s  
5 objectives for implementing a high-quality char-  
6 ter school program with funding under this sub-  
7 section, including a description of the proposed  
8 number of high-quality charter schools to be  
9 replicated or expanded with funding under this  
10 subsection.

11 “(B) A description of the educational pro-  
12 gram that the eligible entity will implement in  
13 the charter schools that the eligible entity pro-  
14 poses to replicate or expand, including informa-  
15 tion on how the program will enable all stu-  
16 dents to meet challenging State academic  
17 standards, the grade levels or ages of students  
18 that will be served, and the instructional prac-  
19 tices that will be used.

20 “(C) A multi-year financial and operating  
21 model for the eligible entity, including a de-  
22 scription of how the operation of the charter  
23 schools to be replicated or expanded will be sus-  
24 tained after the grant under this subsection has  
25 ended.

1           “(D) A description of how the eligible enti-  
2           ty will inform all students in the community, in-  
3           cluding students with disabilities, students who  
4           are limited English proficient, and other educa-  
5           tionally disadvantaged students, about the char-  
6           ter schools to be replicated or expanded with  
7           funding under this subsection.

8           “(E) For each charter school currently op-  
9           erated or managed by the eligible entity—

10           “(i) student assessment results for all  
11           students and for the subgroups of students  
12           described in section 1111(b)(2)(C)(v)(II);  
13           and

14           “(ii) attendance and student retention  
15           rates for the most recently completed  
16           school year and, if applicable, the most re-  
17           cent available 4-year adjusted cohort high  
18           school graduation rate (as defined in sec-  
19           tion 200.19(b)(1)(i)(A) of title 34, Code of  
20           Federal Regulations, or a successor regula-  
21           tion).

22           “(F) Information on any significant com-  
23           pliance issues encountered, within the last 3  
24           years, by any school operated or managed by

1 the eligible entity, including in the areas of stu-  
2 dent safety and financial management.

3 “(G) A request and justification for any  
4 waivers of Federal statutory or regulatory re-  
5 quirements that the eligible entity believes are  
6 necessary for the successful operation of the  
7 charter schools to be opened or expanded with  
8 funding under this subsection.

9 “(3) SELECTION CRITERIA.—The Secretary  
10 shall select eligible entities to receive grants under  
11 this subsection, on the basis of the quality of the ap-  
12 plications submitted under paragraph (2), after tak-  
13 ing into consideration such factors as—

14 “(A) the degree to which the eligible entity  
15 has demonstrated success in increasing aca-  
16 demic achievement and attainment for all stu-  
17 dents attending the charter schools the eligible  
18 entity operates or manages;

19 “(B) the degree to which the eligible entity  
20 has demonstrated success in increasing aca-  
21 demic achievement and attainment for the sub-  
22 groups of students described in section  
23 1111(b)(2)(C)(v)(II);

24 “(C) the quality of the eligible entity’s fi-  
25 nancial and operating model as described under

1 paragraph (2)(C), including the quality of the  
2 eligible entity's plan for sustaining the oper-  
3 ation of the charter schools to be replicated or  
4 expanded after the grant under this subsection  
5 has ended;

6 “(D) a determination that the eligible enti-  
7 ty has not operated or managed a significant  
8 proportion of charter schools that—

9 “(i) have been closed;

10 “(ii) have had a school charter re-  
11 voked due to problems with statutory or  
12 regulatory compliance; or

13 “(iii) have had the school's affiliation  
14 with the eligible entity revoked; and

15 “(E) a determination that the eligible enti-  
16 ty has not experienced significant problems with  
17 statutory or regulatory compliance that could  
18 lead to the revocation of a school's charter.

19 “(4) PRIORITY.—In awarding grants under this  
20 section, the Secretary shall give priority to eligible  
21 entities that operate or manage charter schools that,  
22 in the aggregate, serve students at least 60 percent  
23 of whom are eligible for a free or reduced price  
24 lunch under the Richard B. Russell National School  
25 Lunch Act.

1           “(5) TERMS AND CONDITIONS.—Except as oth-  
2           erwise provided in this subsection, grants awarded  
3           under subsection (a)(2)(D) and subsection (b) shall  
4           have the same terms and conditions as grants  
5           awarded to State entities under section 5203.”.

6 **SEC. 8. RECORDS TRANSFER.**

7           Section 5208 (20 U.S.C. 7221g) is amended by in-  
8           serting “as quickly as possible and” before “to the extent  
9           practicable”.

10 **SEC. 9. DEFINITIONS.**

11           Section 5210 (20 U.S.C. 7221i) is amended—

12           (1) by redesignating paragraphs (1), (2), and  
13           (3) as paragraphs (2), (5), and (6), respectively;

14           (2) by redesignating paragraph (4) as para-  
15           graph (1), and moving such paragraph so as to pre-  
16           cede paragraph (2), as redesignated by paragraph  
17           (1) of this section;

18           (3) in paragraph (2), as redesignated by para-  
19           graph (1)—

20           (A) in subparagraph (G), by striking “,  
21           and part B” and inserting “, the Americans  
22           with Disabilities Act of 1990 (42 U.S.C. 12101  
23           et seq.), section 444 of the General Education  
24           Provisions Act (20 U.S.C. 1232) (commonly re-

1           ferred to as the ‘Family Educational Rights  
2           and Privacy Act of 1974’), and part B”;

3           (B) by striking subparagraph (H) and in-  
4           serting the following:

5           “(H) is a school to which parents choose to  
6           send their children, and which—

7           “(i) admits students on the basis of a  
8           lottery, if more students apply for admis-  
9           sion than can be accommodated; or

10          “(ii) in the case of a school that has  
11          an affiliated charter school (such as a  
12          school that is part of the same network of  
13          schools), automatically enrolls students  
14          who are enrolled in the immediate prior  
15          grade level of the affiliated charter school  
16          and, for any additional student openings or  
17          student openings created through regular  
18          attrition in student enrollment in the affili-  
19          ated charter school and the enrolling  
20          school, admits students on the basis of a  
21          lottery as described in clause (i);”;

22          (C) by striking subparagraph (I) and in-  
23          serting the following:

24          “(I) agrees to comply with the same Fed-  
25          eral and State audit requirements as do other

1 elementary schools and secondary schools in the  
 2 State, unless such State audit requirements are  
 3 waived by the State;”;

4 (D) in subparagraph (K), by striking  
 5 “and” at the end;

6 (E) in subparagraph (L), by striking the  
 7 period at the end and inserting a semicolon;  
 8 and

9 (F) by adding at the end the following:

10 “(M) may serve prekindergarten or post-  
 11 secondary students.”;

12 (4) by inserting after paragraph (2), as redesign-  
 13 nated by paragraph (1), the following:

14 “(3) CHARTER MANAGEMENT ORGANIZATION.—  
 15 The term ‘charter management organization’ means  
 16 a nonprofit organization that operates or manages  
 17 multiple charter schools by centralizing or sharing  
 18 certain functions or resources.

19 “(4) CHARTER SCHOOL SUPPORT ORGANIZA-  
 20 TION.—The term ‘charter school support organiza-  
 21 tion’ means a nonprofit, nongovernmental entity that  
 22 is not an authorized public chartering agency and  
 23 provides on a statewide basis—

1           “(A) assistance to developers during the  
2           planning, program design, and initial implemen-  
3           tation of a charter school; and

4           “(B) technical assistance to operating  
5           charter schools.”;

6           (5) in paragraph (5)(B), as redesignated by  
7           paragraph (1), by striking “under section  
8           5203(d)(3)”; and

9           (6) by adding at the end the following:

10           “(7) EXPANSION OF A HIGH-QUALITY CHARTER  
11           SCHOOL.—The term ‘expansion of a high-quality  
12           charter school’ means increasing the enrollment at a  
13           high-quality charter school by not less than 50 per-  
14           cent or adding 2 or more grades to a high-quality  
15           charter school.

16           “(8) HIGH-QUALITY CHARTER SCHOOL.—The  
17           term ‘high-quality charter school’ means a charter  
18           school that—

19           “(A) shows evidence of strong academic re-  
20           sults, which may include strong academic  
21           growth, as determined by a State;

22           “(B) has no significant issues in the areas  
23           of student safety, financial management, or  
24           statutory or regulatory compliance;



1           “(C) has demonstrated success in signifi-  
2           cantly increasing student academic achieve-  
3           ment, including graduation rates where applica-  
4           ble, for all students served by the charter  
5           school; and

6           “(D) has demonstrated success in increas-  
7           ing student academic achievement, including  
8           graduation rates where applicable, for the sub-  
9           groups of students described in section  
10          1111(b)(2)(C)(v)(II), except that such dem-  
11          onstration is not required in a case in which the  
12          number of students in a group is insufficient to  
13          yield statistically reliable information or the re-  
14          sults would reveal personally identifiable infor-  
15          mation about an individual student.

16          “(9) REPLICATION OF A HIGH-QUALITY CHAR-  
17          TER SCHOOL.—The term ‘replication of a high-qual-  
18          ity charter school’ means the opening of a charter  
19          school—

20                 “(A) under an existing charter or an addi-  
21                 tional charter, if permitted by State law;

22                 “(B) based on the model of a high-quality  
23                 charter school; and

24                 “(C) that will be operated or managed by  
25                 the same nonprofit organization that operates

1           or manages such high-quality charter school  
2           under an existing charter.”.

3 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

4           Section 5211 (20 U.S.C. 7221j) is amended to read  
5 as follows:

6 **“SEC. 5211. AUTHORIZATION OF APPROPRIATIONS.**

7           “There are authorized to be appropriated to carry out  
8 this subpart \$300,000,000 for fiscal year 2015 and such  
9 sums as may be necessary for each of the 5 succeeding  
10 fiscal years.”.

11 **SEC. 11. CONFORMING AMENDMENTS.**

12           (a) REPEAL.—Subpart 2 of part B of title V (20  
13 U.S.C. 7223 et seq.) is repealed.

14           (b) TABLE OF CONTENTS.—The table of contents in  
15 section 2 is amended—

16                   (1) by striking the item relating to subpart 1  
17 of part B of title V and inserting the following:

“SUBPART 1—CHARTER SCHOOL PROGRAM”;

18                   (2) by striking the item relating to section 5203  
19 and inserting the following:

“Sec. 5203. Grants to support high-quality charter schools.”;

20                   and

21                   (3) by striking the item relating to section 5204  
22 and inserting the following:

“Sec. 5204. Facilities financing assistance.”.

1           (c) SUBPART HEADING.—The heading for subpart 1  
2 of part B of title V (20 U.S.C. 7221 et seq.) is amended  
3 to read as follows: “**Charter School Program**”.

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