

Subpart 1 — Reading First

SEC. 1201. PURPOSES.

The purposes of this subpart are as follows:

- (1) To provide assistance to State educational agencies and local educational agencies in establishing reading programs for students in kindergarten through grade 3 that are based on scientifically based reading research, to ensure that every student can read at grade level or above not later than the end of grade 3.
- (2) To provide assistance to State educational agencies and local educational agencies in preparing teachers, including special education teachers, through professional development and other support, so the teachers can identify specific reading barriers facing their students and so the teachers have the tools to effectively help their students learn to read.
- (3) To provide assistance to State educational agencies and local educational agencies in selecting or administering screening, diagnostic, and classroom-based instructional reading assessments.
- (4) To provide assistance to State educational agencies and local educational agencies in selecting or developing effective instructional materials (including classroom-based materials to assist teachers in implementing the essential components of reading instruction), programs, learning systems, and strategies to implement methods that have been proven to prevent or remediate reading failure within a State.
- (5) To strengthen coordination among schools, early literacy programs, and family literacy programs to improve reading achievement for all children.

SEC. 1202. FORMULA GRANTS TO STATE EDUCATIONAL AGENCIES.

(a) IN GENERAL-

- (1) **AUTHORIZATION TO MAKE GRANTS-** In the case of each State educational agency that in accordance with section 1203 submits to the Secretary an application for a 6-year period, the Secretary, from amounts appropriated under section 1002(b)(1) and subject to the application's approval, shall make a grant to the State educational agency for the uses specified in subsections (c) and (d). For each fiscal year, the funds provided under the grant shall equal the allotment determined for the State educational agency under subsection (b).
- (2) **DURATION OF GRANTS-** Subject to subsection (e)(3), a grant under this section shall be awarded for a period of not more than 6 years.

(b) DETERMINATION OF AMOUNT OF ALLOTMENTS-

- (1) **RESERVATIONS FROM APPROPRIATIONS-** From the total amount made available to carry out this subpart for a fiscal year, the Secretary —
 - (A) shall reserve one-half of 1 percent for allotments for the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, to be distributed among these outlying areas on the basis of their relative need, as determined by the Secretary in accordance with the purposes of this subpart;
 - (B) shall reserve one-half of 1 percent for the Secretary of the Interior for programs under this subpart in schools operated or funded by the Bureau of Indian Affairs;
 - (C) may reserve not more than 2 1/2 percent or \$25,000,000, whichever is less, to carry out section 1205 (relating to external evaluation) and section 1206 (relating to national activities);
 - (D) shall reserve \$5,000,000 to carry out sections 1207 and 1224 (relating to information dissemination); and

(E) for any fiscal year, beginning with fiscal year 2004, for which the amount appropriated to carry out this subpart exceeds the amount appropriated for fiscal year 2003, shall reserve, to carry out section 1204, the lesser of —

(i) \$90,000,000; or

(ii) 10 percent of such excess amount.

(2) STATE ALLOTMENTS- In accordance with paragraph (3), the Secretary shall allot among each of the States the total amount made available to carry out this subpart for any fiscal year and not reserved under paragraph (1).

(3) DETERMINATION OF STATE ALLOTMENT AMOUNTS-

(A) IN GENERAL- Subject to subparagraph (B), the Secretary shall allot the amount made available under paragraph (2) for a fiscal year among the States in proportion to the number of children, aged 5 to 17, who reside within the State and are from families with incomes below the poverty line for the most recent fiscal year for which satisfactory data are available, compared to the number of such individuals who reside in all such States for that fiscal year.

(B) EXCEPTIONS-

(i) MINIMUM GRANT AMOUNT- Subject to clause (ii), no State receiving an allotment under subparagraph (A) may receive less than one-fourth of 1 percent of the total amount allotted under such subparagraph.

(ii) PUERTO RICO- The percentage of the amount allotted under subparagraph (A) that is allotted to the Commonwealth of Puerto Rico for a fiscal year may not exceed the percentage that was received by the Commonwealth of Puerto Rico of the funds allocated to all States under subpart 2 of part A for the preceding fiscal year.

(4) DISTRIBUTION OF SUBGRANTS- The Secretary may make a grant to a State educational agency only if the State educational agency agrees to expend at least 80 percent of the amount of the funds provided under the grant for the purpose of making, in accordance with subsection (c), competitive subgrants to eligible local educational agencies.

(5) REALLOTMENT- If a State educational agency described in paragraph (2) does not apply for an allotment under this section for any fiscal year, or if the State educational agency's application is not approved, the Secretary shall reallocate such amount to the remaining State educational agencies in accordance with paragraph (3).

(6) DEFINITION OF STATE- For purposes of this subsection, the term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

(c) SUBGRANTS TO LOCAL EDUCATIONAL AGENCIES-

(1) AUTHORIZATION TO MAKE SUBGRANTS- In accordance with paragraph (2), a State educational agency that receives a grant under this section shall make competitive subgrants to eligible local educational agencies.

(2) ALLOCATION-

(A) MINIMUM SUBGRANT AMOUNT- In making subgrants under paragraph (1), a State educational agency shall allocate to each eligible local educational agency that receives such a subgrant, at a minimum, an amount that bears the same relation to the funds made available under subsection (b)(4) as the amount the eligible local educational agency received under part A for the preceding fiscal year bears to the amount all the local educational agencies in the State received under part A for the preceding fiscal year.

(B) PRIORITY- In making subgrants under paragraph (1), a State educational agency shall give priority to eligible local educational agencies in which at least —

(i) 15 percent of the children served by the eligible local educational agency are from families with incomes below the poverty line; or

(ii) 6,500 children served by the eligible local educational agency are from families with incomes below the poverty line.

(3) NOTICE- A State educational agency receiving a grant under this section shall provide notice to all eligible local educational agencies in the State of the availability of competitive subgrants under this subsection and of the requirements for applying for the subgrants.

(4) LOCAL APPLICATION- To be eligible to receive a subgrant under this subsection, an eligible local educational agency shall submit an application to the State educational agency at such time, in such manner, and containing such information as the State educational agency may reasonably require.

(5) STATE REQUIREMENT- In distributing subgrant funds to eligible local educational agencies under this subsection, a State educational agency shall —

(A) provide funds in sufficient size and scope to enable the eligible local educational agencies to improve reading instruction; and

(B) provide the funds in amounts related to the number or percentage of students in kindergarten through grade 3 who are reading below grade level.

(6) LIMITATION TO CERTAIN SCHOOLS- In distributing subgrant funds under this subsection, an eligible local educational agency shall provide funds only to schools that both —

(A) are among the schools served by that eligible local educational agency with the highest percentages or numbers of students in kindergarten through grade 3 reading below grade level, based on the most currently available data; and

(B)(i) are identified for school improvement under section 1116(b); or

(ii) have the highest percentages or numbers of children counted under section 1124(c).

(7) LOCAL USES OF FUNDS-

(A) REQUIRED USES- Subject to paragraph (8), an eligible local educational agency that receives a subgrant under this subsection shall use the funds provided under the subgrant to carry out the following activities:

(i) Selecting and administering screening, diagnostic, and classroom-based instructional reading assessments.

(ii) Selecting and implementing a learning system or program of reading instruction based on scientifically based reading research that —

(I) includes the essential components of reading instruction; and

(II) provides such instruction to the children in kindergarten through grade 3 in the schools served by the eligible local educational agency, including children who —

(aa) may have reading difficulties;

(bb) are at risk of being referred to special education based on these difficulties;

(cc) have been evaluated under section 614 of the Individuals with Disabilities Education Act but, in accordance with section 614(b)(5) of that Act, have not been identified as being a child with a disability (as defined in section 602 of that Act);

(dd) are being served under such Act primarily due to being identified as being a child with a specific learning disability (as defined in section 602 of that Act) related to reading;

(ee) are deficient in the essential components of reading skills, as listed in subparagraphs (A) through (E) of section 1208(3); or

(ff) are identified as having limited English proficiency.

(iii) Procuring and implementing instructional materials, including education technology such as software and other digital curricula, that are based on scientifically based reading research.

(iv) Providing professional development for teachers of kindergarten through grade 3, and special education teachers of kindergarten through grade 12, that —

(I) will prepare these teachers in all of the essential components of reading instruction;

(II) shall include —

(aa) information on instructional materials, programs, strategies, and approaches based on scientifically based reading research, including early intervention, classroom reading materials, and remedial programs and approaches; and

(bb) instruction in the use of screening, diagnostic, and classroom-based instructional reading assessments and other procedures that effectively identify students who may be at risk for reading failure or who are having difficulty reading;

(III) shall be provided by eligible professional development providers; and

(IV) will assist teachers in becoming highly qualified in reading instruction in accordance with the requirements of section 1119.

(v) Collecting and summarizing data —

(I) to document the effectiveness of activities carried out under this subpart in individual schools and in the local educational agency as a whole; and

(II) to stimulate and accelerate improvement by identifying the schools that produce significant gains in reading achievement.

(vi) Reporting data for all students and categories of students described in section 1111(b)(2)(C)(v)(II).

(vii) Promoting reading and library programs that provide access to engaging reading material, including coordination with programs funded through grants received under subpart 4, where applicable.

(B) ADDITIONAL USES- Subject to paragraph (8), an eligible local educational agency that receives a subgrant under this subsection may use the funds provided under the subgrant to carry out the following activities:

(i) Humanities-based family literacy programs (which may be referred to as Prime Time Family Reading Time') that bond families around the acts of reading and using public libraries.

(ii) Providing training in the essential components of reading instruction to a parent or other individual who volunteers to be a student's reading tutor, to enable such parent or individual to support instructional practices that are based on scientifically based reading research and are being used by the student's teacher.

(iii) Assisting parents, through the use of materials and reading programs, strategies, and approaches (including family literacy services) that are based on scientifically based reading research, to encourage reading and support their child's reading development.

(8) LOCAL PLANNING AND ADMINISTRATION- An eligible local educational agency that receives a subgrant under this subsection may use not more than

3.5 percent of the funds provided under the subgrant for planning and administration.

(d) STATE USES OF FUNDS-

(1) IN GENERAL- A State educational agency that receives a grant under this section may expend not more than a total of 20 percent of the grant funds to carry out the activities described in paragraphs (3), (4), and (5).

(2) PRIORITY- A State educational agency shall give priority to carrying out the activities described in paragraphs (3), (4), and (5) for schools described in subsection (c)(6).

(3) PROFESSIONAL INSERVICE AND PRESERVICE DEVELOPMENT AND REVIEW- A State educational agency may expend not more than 65 percent of the amount of the funds made available under paragraph (1) —

(A) to develop and implement a program of professional development for teachers, including special education teachers, of kindergarten through grade 3 that —

(i) will prepare these teachers in all the essential components of reading instruction;

(ii) shall include —

(I) information on instructional materials, programs, strategies, and approaches based on scientifically based reading research, including early intervention and reading remediation materials, programs, and approaches; and

(II) instruction in the use of screening, diagnostic, and classroom-based instructional reading assessments and other scientifically based procedures that effectively identify students who may be at risk for reading failure or who are having difficulty reading; and

(iii) shall be provided by eligible professional development providers;

(B) to strengthen and enhance preservice courses for students preparing, at all public institutions of higher education in the State, to teach kindergarten through grade 3 by —

(i) reviewing such courses to determine whether the courses' content is consistent with the findings of the most current scientifically based reading research, including findings on the essential components of reading instruction;

(ii) following up such reviews with recommendations to ensure that such institutions offer courses that meet the highest standards; and

(iii) preparing a report on the results of such reviews, submitting the report to the reading and literacy partnership for the State established under section 1203(d), and making the report available for public review by means of the Internet; and

(C) to make recommendations on how the State licensure and certification standards in the area of reading might be improved.

(4) TECHNICAL ASSISTANCE FOR LOCAL EDUCATIONAL AGENCIES AND SCHOOLS- A State educational agency may expend not more than 25 percent of the amount of the funds made available under paragraph (1) for one or more of the following:

(A) Assisting local educational agencies in accomplishing the tasks required to design and implement a program under this subpart, including —

(i) selecting and implementing a program or programs of reading instruction based on scientifically based reading research;

- (ii) selecting screening, diagnostic, and classroom-based instructional reading assessments; and
- (iii) identifying eligible professional development providers to help prepare reading teachers to teach students using the programs and assessments described in clauses (i) and (ii).

(B) Providing expanded opportunities to students in kindergarten through grade 3 who are served by eligible local educational agencies for receiving reading assistance from alternative providers that includes —

- (i) screening, diagnostic, and classroom-based instructional reading assessments; and
- (ii) as need is indicated by the assessments under clause (i), instruction based on scientifically based reading research that includes the essential components of reading instruction.

(5) PLANNING, ADMINISTRATION, AND REPORTING-

(A) EXPENDITURE OF FUNDS- A State educational agency may expend not more than 10 percent of the amount of funds made available under paragraph (1) for the activities described in this paragraph.

(B) PLANNING AND ADMINISTRATION- A State educational agency that receives a grant under this section may expend funds made available under subparagraph (A) for planning and administration relating to the State uses of funds authorized under this subpart, including the following:

- (i) Administering the distribution of competitive subgrants to eligible local educational agencies under subsection (c) and section 1204(d).
- (ii) Assessing and evaluating, on a regular basis, eligible local educational agency activities assisted under this subpart, with respect to whether they have been effective in increasing the number of children in grades 1, 2, and 3 served under this subpart who can read at or above grade level.

(C) ANNUAL REPORTING-

(i) IN GENERAL- A State educational agency that receives a grant under this section shall expend funds made available under subparagraph (A) to provide the Secretary annually with a report on the implementation of this subpart.

(ii) INFORMATION INCLUDED- Each report under this subparagraph shall include information on the following:

- (I) Evidence that the State educational agency is fulfilling its obligations under this subpart.
- (II) Specific identification of those schools and local educational agencies that report the largest gains in reading achievement.
- (III) The progress the State educational agency and local educational agencies within the State are making in reducing the number of students served under this subpart in grades 1, 2, and 3 who are reading below grade level, as demonstrated by such information as teacher reports and school evaluations of mastery of the essential components of reading instruction.
- (IV) Evidence on whether the State educational agency and local educational agencies within the State have significantly increased the number of students reading at grade level or above, significantly increased the percentages of students described in section 1111(b)(2)(C)(v)(II) who are reading at grade level or above, and successfully implemented this subpart.

- (iii) PRIVACY PROTECTION- Data in the report shall be reported in a manner that protects the privacy of individuals.
- (iv) CONTRACT- To the extent practicable, a State educational agency shall enter into a contract with an entity that conducts scientifically based reading research, under which contract the entity will assist the State educational agency in producing the reports required to be submitted under this subparagraph.

(e) REVIEW-

(1) PROGRESS REPORT-

(A) SUBMISSION- Not later than 60 days after the termination of the third year of the grant period, each State educational agency receiving a grant under this section shall submit a progress report to the Secretary.

(B) INFORMATION INCLUDED- The progress report shall include information on the progress the State educational agency and local educational agencies within the State are making in reducing the number of students served under this subpart in grades 1, 2, and 3 who are reading below grade level (as demonstrated by such information as teacher reports and school evaluations of mastery of the essential components of reading instruction). The report shall also include evidence from the State educational agency and local educational agencies within the State that the State educational agency and the local educational agencies have significantly increased the number of students reading at grade level or above, significantly increased the percentages of students described in section 1111(b)(2)(C)(v)(II) who are reading at grade level or above, and successfully implemented this subpart.

(2) PEER REVIEW- The progress report described in paragraph (1) shall be reviewed by the peer review panel convened under section 1203(c)(2).

(3) CONSEQUENCES OF INSUFFICIENT PROGRESS- After submission of the progress report described in paragraph (1), if the Secretary determines that the State educational agency is not making significant progress in meeting the purposes of this subpart, the Secretary may withhold from the State educational agency, in whole or in part, further payments under this section in accordance with section 455 of the General Education Provisions Act or take such other action authorized by law as the Secretary determines necessary, including providing technical assistance upon request of the State educational agency.

(f) FUNDS NOT USED FOR STATE LEVEL ACTIVITIES- Any portion of funds described in subsection (d)(1) that a State educational agency does not expend in accordance with subsection (d)(1) shall be expended for the purpose of making subgrants in accordance with subsection (c).

SEC. 1203. STATE FORMULA GRANT APPLICATIONS.

(a) APPLICATIONS-

(1) IN GENERAL- A State educational agency that desires to receive a grant under section 1202 shall submit an application to the Secretary at such time and in such form as the Secretary may require. The application shall contain the information described in subsection (b).

(2) SPECIAL APPLICATION PROVISIONS- For those State educational agencies that have received a grant under part C of title II (as such part was in effect on the day before the date of enactment of the No Child Left Behind Act of 2001), the Secretary shall establish a modified set of requirements for an application under this section that takes into account the information already submitted and approved under that program and minimizes the duplication of effort on the part of such State educational agencies.

(b) CONTENTS- An application under this section shall contain the following:

(1) An assurance that the Governor of the State, in consultation with the State educational agency, has established a reading and literacy partnership described in subsection (d), and a description of how such partnership —

(A) coordinated the development of the application; and

(B) will assist in the oversight and evaluation of the State educational agency's activities under this subpart.

(2) A description, if applicable, of the State's strategy to expand, continue, or modify activities authorized under part C of title II (as such part was in effect on the day before the date of enactment of the No Child Left Behind Act of 2001).

(3) An assurance that the State educational agency, and any local educational agencies receiving a subgrant from that State educational agency under section 1202, will, if requested, participate in the external evaluation under section 1205.

(4) A State educational agency plan containing a description of the following:

(A) How the State educational agency will assist local educational agencies in identifying screening, diagnostic, and classroom-based instructional reading assessments.

(B) How the State educational agency will assist local educational agencies in identifying instructional materials, programs, strategies, and approaches, based on scientifically based reading research, including early intervention and reading remediation materials, programs, and approaches.

(C) How the State educational agency will ensure that professional development activities related to reading instruction and provided under section 1202 are —

(i) coordinated with other Federal, State, and local level funds, and used effectively to improve instructional practices for reading; and

(ii) based on scientifically based reading research.

(D) How the activities assisted under section 1202 will address the needs of teachers and other instructional staff in implementing the essential components of reading instruction.

(E) How subgrants made by the State educational agency under section 1202 will meet the requirements of section 1202, including how the State educational agency will ensure that eligible local educational agencies receiving subgrants under section 1202 will use practices based on scientifically based reading research.

(F) How the State educational agency will, to the extent practicable, make grants to eligible local educational agencies in both rural and urban areas.

(G) How the State educational agency will build on, and promote coordination among literacy programs in the State (including federally funded programs such as programs under the Adult Education and Family Literacy Act, the Individuals with Disabilities Education Act, and subpart 2), to increase the effectiveness of the programs in improving reading for adults and children and to avoid duplication of the efforts of the program.

(H) How the State educational agency will assess and evaluate, on a regular basis, eligible local educational agency activities assisted under section 1202, with respect to whether the activities have been effective in achieving the purposes of section 1202.

(I) Any other information that the Secretary may reasonably require.

(c) APPROVAL OF APPLICATIONS-

(1) IN GENERAL- The Secretary shall approve an application of a State educational agency under this section only if such application meets the requirements of this section.

(2) PEER REVIEW-

(A) IN GENERAL- The Secretary, in consultation with the National Institute for Literacy, shall convene a panel to evaluate applications under this section. At a minimum, the panel shall include —

- (i) three individuals selected by the Secretary;
- (ii) three individuals selected by the National Institute for Literacy;
- (iii) three individuals selected by the National Research Council of the National Academy of Sciences; and
- (iv) three individuals selected by the National Institute of Child Health and Human Development.

(B) EXPERTS- The panel shall include —

- (i) experts who are competent, by virtue of their training, expertise, or experience, to evaluate applications under this section;
- (ii) experts who provide professional development to individuals who teach reading to children and adults based on scientifically based reading research;
- (iii) experts who provide professional development to other instructional staff based on scientifically based reading research; and
- (iv) an individual who has expertise in screening, diagnostic, and classroom-based instructional reading assessments.

(C) RECOMMENDATIONS- The panel shall recommend grant applications from State educational agencies under this section to the Secretary for funding or for disapproval.

(d) READING AND LITERACY PARTNERSHIPS-

(1) IN GENERAL- For a State educational agency to receive a grant under section 1202, the Governor of the State, in consultation with the State educational agency, shall establish a reading and literacy partnership.

(2) REQUIRED PARTICIPANTS- The reading and literacy partnership shall include the following participants:

(A) The Governor of the State.

(B) The chief State school officer.

(C) The chairman and the ranking member of each committee of the State legislature that is responsible for education policy.

(D) A representative, selected jointly by the Governor and the chief State school officer, of at least one eligible local educational agency.

(E) A representative, selected jointly by the Governor and the chief State school officer, of a community-based organization working with children to improve their reading skills, particularly a community-based organization using tutors and scientifically based reading research.

(F) State directors of appropriate Federal or State programs with a strong reading component, selected jointly by the Governor and the chief State school officer.

(G) A parent of a public or private school student or a parent who educates the parent's child in the parent's home, selected jointly by the Governor and the chief State school officer.

(H) A teacher, who may be a special education teacher, who successfully teaches reading, and another instructional staff member, selected jointly by the Governor and the chief State school officer.

(I) A family literacy service provider selected jointly by the Governor and the chief State school officer.

(3) OPTIONAL PARTICIPANTS- The reading and literacy partnership may include additional participants, who shall be selected jointly by the Governor and the chief State school officer, and who may include a representative of —

- (A) an institution of higher education operating a program of teacher preparation in the State that is based on scientifically based reading research;
- (B) a local educational agency;
- (C) a private nonprofit or for-profit eligible professional development provider providing instruction based on scientifically based reading research;
- (D) an adult education provider;
- (E) a volunteer organization that is involved in reading programs; or
- (F) a school library or a public library that offers reading or literacy programs for children or families.

(4) PREEXISTING PARTNERSHIP- If, before the date of enactment of the No Child Left Behind Act of 2001, a State educational agency established a consortium, partnership, or any other similar body that was considered a reading and literacy partnership for purposes of part C of title II of this Act (as such part was in effect on the day before the date of enactment of No Child Left Behind Act of 2001), that consortium, partnership, or body may be considered a reading and literacy partnership for purposes of this subsection consistent with the provisions of this subpart.

SEC. 1204. TARGETED ASSISTANCE GRANTS.

(a) ELIGIBILITY CRITERIA FOR AWARDING TARGETED ASSISTANCE GRANTS TO STATES- Beginning with fiscal year 2004, from funds appropriated under section 1202(b)(1)(E), the Secretary shall make grants, on a competitive basis, to those State educational agencies that —

- (1) for each of 2 consecutive years, demonstrate that an increasing percentage of third graders in each of the groups described in section 1111(b)(2)(C)(v)(II) in the schools served by the local educational agencies receiving funds under section 1202 are reaching the proficient level in reading; and
- (2) for each of the same such consecutive 2 years, demonstrate that schools receiving funds under section 1202 are improving the reading skills of students in grades 1, 2, and 3 based on screening, diagnostic, and classroom-based instructional reading assessments.

(b) CONTINUATION OF PERFORMANCE AWARDS- For any State educational agency that receives a competitive grant under this section, the Secretary shall make an award for each of the succeeding years that the State educational agency demonstrates it is continuing to meet the criteria described in subsection (a).

(c) DISTRIBUTION OF TARGETED ASSISTANCE GRANTS-

- (1) IN GENERAL- The Secretary shall make a grant to each State educational agency with an application approved under this section in an amount that bears the same relation to the amount made available to carry out this section for a fiscal year as the number of children counted under section 1124(c) for the State bears to the number of such children so counted for all States with applications approved for that year.
- (2) PEER REVIEW- The peer review panel convened under section 1203(c)(2) shall review the applications submitted under this subsection. The panel shall recommend such applications to the Secretary for funding or for disapproval.
- (3) APPLICATION CONTENTS- A State educational agency that desires to receive a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall include the following:
 - (A) Evidence that the State educational agency has carried out its obligations under section 1203.

(B) Evidence that the State educational agency has met the criteria described in subsection (a).

(C) The amount of funds requested by the State educational agency and a description of the criteria the State educational agency intends to use in distributing subgrants to eligible local educational agencies under this section to continue or expand activities under subsection (d)(5).

(D) Evidence that the State educational agency has increased significantly the percentage of students reading at grade level or above.

(E) Any additional evidence that demonstrates success in the implementation of this section.

(d) SUBGRANTS TO ELIGIBLE LOCAL EDUCATIONAL AGENCIES-

(1) IN GENERAL- The Secretary may make a grant to a State educational agency under this section only if the State educational agency agrees to expend 100 percent of the amount of the funds provided under the grant for the purpose of making competitive subgrants in accordance with this subsection to eligible local educational agencies.

(2) NOTICE- A State educational agency receiving a grant under this section shall provide notice to all local educational agencies in the State of the availability of competitive subgrants under this subsection and of the requirements for applying for the subgrants.

(3) APPLICATION- To be eligible to receive a subgrant under this subsection, an eligible local educational agency shall submit an application to the State educational agency at such time, in such manner, and containing such information as the State educational agency may reasonably require.

(4) DISTRIBUTION-

(A) IN GENERAL- A State educational agency shall distribute subgrants under this section through a competitive process based on relative need of eligible local educational agencies and the evidence described in this paragraph.

(B) EVIDENCE USED IN ALL YEARS- For all fiscal years, a State educational agency shall distribute subgrants under this section based on evidence that an eligible local educational agency —

(i) satisfies the requirements of section 1202(c)(4);

(ii) will carry out its obligations under this subpart;

(iii) will work with other local educational agencies in the State that have not received a subgrant under this subsection to assist such nonreceiving agencies in increasing the reading achievement of students; and

(iv) is meeting the criteria described in subsection (a).

(5) LOCAL USES OF FUNDS- An eligible local educational agency that receives a subgrant under this subsection —

(A) shall use the funds provided under the subgrant to carry out the activities described in section 1202(c)(7)(A); and

(B) may use such funds to carry out the activities described in section 1202(c)(7)(B).

SEC. 1205. EXTERNAL EVALUATION.

(a) IN GENERAL- From funds reserved under section 1202(b)(1)(C), the Secretary shall contract with an independent organization outside of the Department for a 5-year, rigorous, scientifically valid, quantitative evaluation of this subpart.

(b) PROCESS- The evaluation under subsection (a) shall be conducted by an organization that is capable of designing and carrying out an independent evaluation that identifies the effects of specific activities carried out by State educational agencies and local educational agencies under this subpart on improving reading instruction. Such

evaluation shall take into account factors influencing student performance that are not controlled by teachers or education administrators.

(c) ANALYSIS- The evaluation under subsection (a) shall include the following:

- (1) An analysis of the relationship between each of the essential components of reading instruction and overall reading proficiency.
- (2) An analysis of whether assessment tools used by State educational agencies and local educational agencies measure the essential components of reading.
- (3) An analysis of how State reading standards correlate with the essential components of reading instruction.
- (4) An analysis of whether the receipt of a targeted assistance grant under section 1204 results in an increase in the number of children who read proficiently.
- (5) A measurement of the extent to which specific instructional materials improve reading proficiency.
- (6) A measurement of the extent to which specific screening, diagnostic, and classroom-based instructional reading assessments assist teachers in identifying specific reading deficiencies.
- (7) A measurement of the extent to which professional development programs implemented by State educational agencies using funds received under this subpart improve reading instruction.
- (8) A measurement of how well students preparing to enter the teaching profession are prepared to teach the essential components of reading instruction.
- (9) An analysis of changes in students' interest in reading and time spent reading outside of school.
- (10) Any other analysis or measurement pertinent to this subpart that is determined to be appropriate by the Secretary.

(d) PROGRAM IMPROVEMENT- The findings of the evaluation conducted under this section shall be provided to State educational agencies and local educational agencies on a periodic basis for use in program improvement.

SEC. 1206. NATIONAL ACTIVITIES.

From funds reserved under section 1202(b)(1)(C), the Secretary —

- (1) may provide technical assistance in achieving the purposes of this subpart to State educational agencies, local educational agencies, and schools requesting such assistance;
- (2) shall, at a minimum, evaluate the impact of services provided to children under this subpart with respect to their referral to, and eligibility for, special education services under the Individuals with Disabilities Education Act (based on their difficulties learning to read); and
- (3) shall carry out the external evaluation as described in section 1205.

SEC. 1207. INFORMATION DISSEMINATION.

(a) IN GENERAL- From funds reserved under section 1202(b)(1)(D), the National Institute for Literacy, in collaboration with the Secretary of Education, the Secretary of Health and Human Services, and the Director of the National Institute for Child Health and Human Development shall —

- (1) disseminate information on scientifically based reading research pertaining to children, youth, and adults;
- (2) identify and disseminate information about schools, local educational agencies, and State educational agencies that have effectively developed and implemented classroom reading programs that meet the requirements of this subpart, including those State educational agencies, local educational agencies,

and schools that have been identified as effective through the evaluation and peer review provisions of this subpart; and
(3) support the continued identification and dissemination of information on reading programs that contain the essential components of reading instruction as supported by scientifically based reading research, that can lead to improved reading outcomes for children, youth, and adults.

(b) DISSEMINATION AND COORDINATION- At a minimum, the National Institute for Literacy shall disseminate the information described in subsection (a) to —

(1) recipients of Federal financial assistance under this title, title III, the Head Start Act, the Individuals with Disabilities Education Act, and the Adult Education and Family Literacy Act; and

(2) each Bureau funded school (as defined in section 1141 of the Education Amendments of 1978).

(c) USE OF EXISTING NETWORKS- In carrying out this section, the National Institute for Literacy shall, to the extent practicable, use existing information and dissemination networks developed and maintained through other public and private entities including through the Department and the National Center for Family Literacy.

(d) NATIONAL INSTITUTE FOR LITERACY- For purposes of funds reserved under section 1202(b)(1)(D) to carry out this section, the National Institute for Literacy shall administer such funds in accordance with section 242(b) of Public Law 105-220 (relating to the establishment and administration of the National Institute for Literacy).

SEC. 1208. DEFINITIONS.

In this subpart:

(1) ELIGIBLE LOCAL EDUCATIONAL AGENCY- The term eligible local educational agency' means a local educational agency that —

(A) is among the local educational agencies in the State with the highest numbers or percentages of students in kindergarten through grade 3 reading below grade level, based on the most currently available data; and

(B) has —

(i) jurisdiction over a geographic area that includes an area designated as an empowerment zone, or an enterprise community, under part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986;

(ii) jurisdiction over a significant number or percentage of schools that are identified for school improvement under section 1116(b); or

(iii) the highest numbers or percentages of children who are counted under section 1124(c), in comparison to other local educational agencies in the State.

(2) ELIGIBLE PROFESSIONAL DEVELOPMENT PROVIDER- The term eligible professional development provider' means a provider of professional development in reading instruction to teachers, including special education teachers, that is based on scientifically based reading research.

(3) ESSENTIAL COMPONENTS OF READING INSTRUCTION- The term essential components of reading instruction' means explicit and systematic instruction in —

(A) phonemic awareness;

(B) phonics;

(C) vocabulary development;

(D) reading fluency, including oral reading skills; and

(E) reading comprehension strategies.

(4) INSTRUCTIONAL STAFF- The term instructional staff' —

(A) means individuals who have responsibility for teaching children to read; and

(B) includes principals, teachers, supervisors of instruction, librarians, library school media specialists, teachers of academic subjects other than reading, and other individuals who have responsibility for assisting children to learn to read.

(5) **READING-** The term 'reading' means a complex system of deriving meaning from print that requires all of the following:

(A) The skills and knowledge to understand how phonemes, or speech sounds, are connected to print.

(B) The ability to decode unfamiliar words.

(C) The ability to read fluently.

(D) Sufficient background information and vocabulary to foster reading comprehension.

(E) The development of appropriate active strategies to construct meaning from print.

(F) The development and maintenance of a motivation to read.

(6) **SCIENTIFICALLY BASED READING RESEARCH-** The term 'scientifically based reading research' means research that —

(A) applies rigorous, systematic, and objective procedures to obtain valid knowledge relevant to reading development, reading instruction, and reading difficulties; and

(B) includes research that —

(i) employs systematic, empirical methods that draw on observation or experiment;

(ii) involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn;

(iii) relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations; and

(iv) has been accepted by a peer-reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective, and scientific review.

(7) **SCREENING, DIAGNOSTIC, AND CLASSROOM-BASED INSTRUCTIONAL READING ASSESSMENTS-**

(A) **IN GENERAL-** The term 'screening, diagnostic, and classroom-based instructional reading assessments' means —

(i) screening reading assessments;

(ii) diagnostic reading assessments; and

(iii) classroom-based instructional reading assessments.

(B) **SCREENING READING ASSESSMENT-** The term 'screening reading assessment' means an assessment that is —

(i) valid, reliable, and based on scientifically based reading research; and

(ii) a brief procedure designed as a first step in identifying children who may be at high risk for delayed development or academic failure and in need of further diagnosis of their need for special services or additional reading instruction.

(C) **DIAGNOSTIC READING ASSESSMENT-** The term 'diagnostic reading assessment' means an assessment that is —

(i) valid, reliable, and based on scientifically based reading research; and

(ii) used for the purpose of —

(I) identifying a child's specific areas of strengths and weaknesses so that the child has learned to read by the end of grade 3;

(II) determining any difficulties that a child may have in learning to read and the potential cause of such difficulties; and

(III) helping to determine possible reading intervention strategies and related special needs.

(D) CLASSROOM-BASED INSTRUCTIONAL READING ASSESSMENT-

The term classroom-based instructional reading assessment' means an assessment that —

(i) evaluates children's learning based on systematic observations by teachers of children performing academic tasks that are part of their daily classroom experience; and

(ii) is used to improve instruction in reading, including classroom instruction.