

grams and activities that most effectively address the unique needs of States and localities.

SEC. 5103. [20 U.S.C. 7305b] TRANSFERABILITY OF FUNDS.

(a) TRANSFERS BY STATES.—

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

- (A) Part A of title II.
- (B) Part A of title IV.
- (C) Section 4202(c)(3).

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

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

(b) TRANSFERS BY LOCAL EDUCATIONAL AGENCIES.—

(1) AUTHORITY TO TRANSFER FUNDS.—

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

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

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

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

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

(c) NO TRANSFER OF CERTAIN FUNDING.—A State or local educational agency may not transfer under this part to any other program any funds allotted or allocated to it for the following provisions:

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

- (4) Part A of title III.
- (5) Part B.
- (d) MODIFICATION OF PLANS AND APPLICATIONS; NOTIFICATION.—
 - (1) STATE TRANSFERS.—Each State that makes a transfer of funds under this section shall—
 - (A) modify, to account for such transfer, each State plan, or application submitted by the State, to which such funds relate;
 - (B) not later than 30 days after the date of such transfer, submit a copy of such modified plan or application to the Secretary; and
 - (C) not later than 30 days before the effective date of such transfer, notify the Secretary of such transfer.
 - (2) LOCAL TRANSFERS.—Each local educational agency that makes a transfer of funds under this section shall—
 - (A) modify, to account for such transfer, each local plan, or application submitted by the agency, to which such funds relate;
 - (B) not later than 30 days after the date of such transfer, submit a copy of such modified plan or application to the State; and
 - (C) not later than 30 days before the effective date of such transfer, notify the State of such transfer.
- (e) APPLICABLE RULES.—
 - (1) IN GENERAL.—Except as otherwise provided in this part, funds transferred under this section are subject to each of the rules and requirements applicable to the funds under the provision to which the transferred funds are transferred.
 - (2) CONSULTATION.—Each State educational agency or local educational agency that transfers funds under this section shall conduct consultations in accordance with section 8501, if such transfer transfers funds from a program that provides for the participation of students, teachers, or other educational personnel, from private schools.

PART B—RURAL EDUCATION INITIATIVE

SEC. 5201. [20 U.S.C. 7341] SHORT TITLE.

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

SEC. 5202. [20 U.S.C. 7341a] PURPOSE.

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

- (1) lack the personnel and resources needed to compete effectively for Federal competitive grants; and
- (2) receive formula grant allocations in amounts too small to be effective in meeting their intended purposes.