

DOCUMENT RESUME

ED 315 189

PS 018 585

TITLE S.123. A Bill To Provide Financial Assistance to States and Localities for High Quality Early Childhood Development Programs for Prekindergarten Children, and for Other Purposes. 101st Congress, 1st Session.

INSTITUTION Congress of the U.S., Washington, D.C. Senate Committee on Labor and Human Resources.

PUB DATE 12 Jun 89

NOTE 112p.

PUB TYPE Legal/Legislative/Regulatory Materials (090)

EDRS PRICE MF01/PC05 Plus Postage.

DESCRIPTORS Community Involvement; *Compensatory Education; *Early Childhood Education; Educational Facilities; *Federal Aid; Federal Government; Federal Legislation; Full Day Half Day Schedules; Government Role; Limited English Speaking; Parent Education; *Preschool Children; State Government; Year Round Schools

IDENTIFIERS Congress 101st; *Early Childhood Development Programs

ABSTRACT

This document presents the amended text of S. 123, cited as "Smart Start: The Community Collaborative for Early Childhood Development Act of 1989," a bill to provide financial assistance to states and localities for high quality early childhood development programs for prekindergarten children. Sections concern: (1) the short title and table of contents; (2) statement of findings and purpose; (3) definitions; (4) program authorization; (5) eligibility for federal assistance; (6) allotments to states; (7) locality and within-state allocation; (8) planning grants; (9) state advisory task forces; (10) lead state agencies; (11) state applications and state plans; (12) local policy groups; (13) local plans and applications; (14) eligible children and families; (15) use of funds; (16) minimum standards; (17) federal administrative provisions; (18) evaluation; (19) nondiscrimination; (20) payments, the nonfederal share, supplementation of funding; and (21) records and audits. (RH)

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Calendar No. 118

101ST CONGRESS
1ST SESSION

S. 123

To provide financial assistance to States and localities for high quality early childhood development programs for prekindergarten children, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 25 (legislative day, JANUARY 3), 1989

Mr. KENNEDY (for himself, Mr. SIMON, Mr. DODD, Mr. MOYNIHAN, Mr. MATSUNAGA, Mr. INOUE, Mr. BRADLEY, Mr. BINGAMAN, Mr. KEBBY, Mr. ADAMS, Mr. BURDICK, Mr. WIRTH, Mr. SHELBY, Mr. LIEBERMAN, and Mr. RIEGLE) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

JUNE 12 (legislative day, JANUARY 3), 1989

Reported under authority of the order of the Senate on June 8 (legislative day, January 3), 1989, by Mr. KENNEDY, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To provide financial assistance to States and localities for high quality early childhood development programs for prekindergarten children, and for other purposes.

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

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1 **SHORT TITLE; TABLE OF CONTENTS**

2 **SECTION 1. (a) SHORT TITLE.**—This Act may be cited
3 as the “Smart Start: The Community Collaborative for Early
4 Childhood Development Act of 1989”.

5 **(b) TABLE OF CONTENTS.**—

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6 **STATEMENT OF FINDINGS AND PURPOSE**

7 **SEC. 2. (a) FINDINGS.**—Congress finds that—

8 (1) high quality early childhood development pro-
9 grams can increase the literacy rate, the graduation
10 rate, the employment rate, and the rate of enrollment
11 in higher education for those children who receive such
12 programs;

13 (2) high quality early childhood development pro-
14 grams can also decrease the incidence of cognitive,
15 learning, and emotional handicaps, teenage pregnancy,

1 welfare dependency, and incidence of arrest and juve-
2 nile delinquency for those children who receive such
3 programs;

4 (3) high quality early childhood development pro-
5 grams are cost effective, saving taxpayers \$6 for every
6 \$1 invested;

7 (4) despite these well-documented, long-term ad-
8 vantages, only one-third of the children who live in
9 poverty are enrolled in early childhood development
10 programs;

11 (5) the less income and education parents have,
12 the less likely their children are to be enrolled in early
13 childhood development programs;

14 (6) many working families cannot afford high
15 quality early childhood development programs for their
16 children;

17 (7) half of all preschool children have two parents
18 in the workforce or live in single parent families, and
19 the number is growing;

20 (8) because of the growing number of such chil-
21 dren, there is a great need for affordable high quality
22 full day, full calendar year early childhood development
23 programs;

24 (9) existing programs of early childhood develop-
25 ment that run only half-day or only during the school-

1 day and school-year should be extended to meet the
2 full child care needs of parents;

3 (10) existing children's programs that do not meet
4 the educational, physical, emotional, social, cognitive
5 and communication developmental needs that high
6 quality programs provide should be upgraded to pro-
7 vide these services to preschool children;

8 (11) the low salaries paid to professional staff in
9 early childhood development programs; the lack of a
10 professional career progression for such staff; and the
11 lack of child development specialists makes it difficult
12 to maintain high quality in programs for young chil-
13 dren;

14 (12) many States and localities have established
15 early childhood development programs to help meet the
16 needs of young children and their families, particularly
17 low-income families; and

18 (13) there remains a great need for high quality
19 full day, full calendar year programs, which could be
20 met both by expanding and upgrading existing early
21 childhood programs and by creating new childhood de-
22 velopment programs.

23 (b) PURPOSE.—It is therefore the purpose of this Act—

24 (1) to make widely available to prekindergarten
25 children, especially to low-income children, a high-

1 quality, child-centered, developmentally appropriate
2 early childhood development program;

3 (2) to make widely available to parents who wish
4 such services a full day, full calendar year program in
5 which they can enroll their prekindergarten children;

6 (3) to make efficient use of Federal, State, and
7 local resources for early childhood development by pro-
8 moting collaboration and coordination at the Federal,
9 State, and local levels;

10 (4) to assist State and local governments in pro-
11 viding comprehensive developmentally appropriate
12 early childhood programs as well as health, nutrition,
13 mental health, and other social services to all prekin-
14 dergarten students, including students whose native
15 language is other than English, and especially to needy
16 prekindergarten students in poor urban and rural areas;

17 (5) to assist State and local governments in ex-
18 panding, improving, or establishing early childhood de-
19 velopment programs using existing facilities that meet
20 State and local safety code requirements;

21 (6) to assist State and local governments in
22 making available family support and parenting educa-
23 tion to parents of children in early childhood develop-
24 ment programs who request such services;

1 (7) to provide incentives for community collabora-
 2 tion, including public-private partnerships, in the deliv-
 3 ery of comprehensive early childhood services through
 4 schools, Head Start agencies, and other community-
 5 based organizations;

6 (8) to provide resources to ensure a smooth tran-
 7 sition for students from prekindergarten into the ele-
 8 mentary school grades when they reach the appropri-
 9 ate age; and

10 (9) to assist State and local governments in—

11 (A) providing training for teachers and staff
 12 of early childhood development programs; and

13 (B) promoting the use of salary scales that
 14 take into account training and experience.

15 DEFINITIONS

16 SEC. 3. As used in this Act—

17 (1) The term “early childhood development pro-
 18 gram” means a program that is appropriate for the
 19 child’s age and all areas of the individual child’s devel-
 20 opment, including educational, physical, emotional,
 21 social, cognitive, and communication.

22 (2) The term “full calendar year” means all days
 23 of operation of businesses in the locality, excluding—

24 (A) legal public holidays, as defined in sec-
 25 tion 6103 of title 5, United States Code; and

1 (B) a single period of 14 consecutive days
2 during the summer.

3 (3) The term "full day" means the hours of oper-
4 ation of businesses in the locality.

5 (4) The term "locality" means a city, county,
6 township, or other general purpose unit of local gov-
7 ernment, or an Indian reservation. For purposes of this
8 Act, a consortium of more than one locality acting to-
9 gether may be considered a locality.

10 (5) The term "poverty line" has the same mean-
11 ing given that term in section 673(2) of the Communi-
12 ty Services Block Grant Act.

13 (6) The term "prekindergarten" means 2 years
14 before a child is eligible under State law to enter first
15 grade.

16 (7) The term "State" means each of the several
17 States, the District of Columbia, the Commonwealth of
18 Puerto Rico, Guam, American Samoa, the United
19 States Virgin Islands, the Commonwealth of the
20 Northern Mariana Islands, the Marshall Islands, the
21 Federated States of Micronesia, and Palau.

22 (8) The term "parent" includes a legal guardian
23 or other person standing in loco parentis.

24 (9) The term "service provider" means any public
25 or nonsectarian nonprofit deliverer of early childhood

1 development services, including a local educational
2 agency, Head Start center, and community-based orga-
3 nization receiving funds under this Act.

4 (10) The term "Secretary" unless otherwise spec-
5 ified, means the Secretaries of Education and Health
6 and Human Services, acting jointly, except that "Sec-
7 retary" means the Secretary of Education for purposes
8 of sections 4, 6, 7, 8, 17, 20, and 21 of this Act.

9 (11) The term "training" means that instruction
10 in early childhood development that is required for cer-
11 tification by existing State and local laws, regulations,
12 and policies, or, in a State with no certification proce-
13 dures, a nationally recognized credential such as the
14 Child Development Associate credential, or postsec-
15 ondary education with significant coursework in early
16 childhood education or early childhood development.

17 (12) The term "child development specialists"
18 shall include but not be limited to school counselors,
19 school social workers, school psychologists, speech-lan-
20 guage pathologists, and other qualified professional
21 personnel involved in providing developmental assess-
22 ment, counseling, therapeutic, and other necessary
23 services as part of a comprehensive child development
24 services program.

1 **PROGRAM AUTHORIZED**

2 **SEC. 4. (a) GENERAL AUTHORITY.**—The Secretary
3 shall, in accordance with this Act, make grants to States and
4 localities having applications submitted under sections 11 and
5 13 of this Act to assist States and localities to expand or
6 establish full day, full calendar year early childhood develop-
7 ment services for prekindergarten children. Such grants may
8 be for up to 3 years, subject to annual review, and are re-
9 newable.

10 **(b) AUTHORIZATION OF APPROPRIATIONS.**—There are
11 authorized to be appropriated for purposes of carrying out the
12 provisions of this Act \$500,000,000 for fiscal year 1990;
13 \$750,000,000 for fiscal year 1991; \$1,000,000,000 for fiscal
14 year 1992; \$1,000,000,000 for fiscal year 1993; and
15 \$1,000,000,000 for fiscal year 1994.

16 **ELIGIBILITY FOR FEDERAL ASSISTANCE**

17 **SEC. 5. (a) STATE ELIGIBILITY.**—A State shall be eli-
18 gible to receive its allotment under section 6(b) of this Act if
19 the State—

20 (1) provides assurances that the State has estab-
21 lished or designated a State Advisory Task Force in
22 accordance with section 9 of this Act; and

23 (2) submits an application and a State plan to the
24 Secretary as described under section 11 of this Act.

25 **(b) LOCALITY ELIGIBILITY.**—If a State does not par-
26 ticipate in the program under this Act, a locality in that State

1 is eligible for a grant as provided in section 7 of this Act, if
2 the locality—

3 (1) provides assurances that the locality has estab-
4 lished or designated a Local Policy Group, as provided
5 in section 12 of this Act; and

6 (2) makes an application as provided in section 13
7 of this Act.

8 **ALLOTMENTS TO STATES**

9 **SEC. 6. (a) RESERVATIONS.**—The Secretary shall re-
10 serve 1 per centum of the amount appropriated under section
11 4(b) in each fiscal year for payments to Guam, American
12 Samoa, the United States Virgin Islands, the Commonwealth
13 of the Northern Mariana Islands, the Marshall Islands, the
14 Federated States of Micronesia, and Palau, to be allotted in
15 accordance with their respective needs.

16 (b) **STATE ALLOTMENT.**—(1) From the remainder of
17 the sums appropriated under section 4(b) for each fiscal year,
18 the Secretary shall allot to each State an amount determined
19 in accordance with this subsection.

20 (2) The Secretary shall allot an amount which bears the
21 same ratio to 25 percent of such remainder as the product
22 of—

23 (A) the number of children in the State under age
24 5 in families with income below the poverty line; and

25 (B) the tax capacity index of the State
26 bears to the sum of the corresponding products for all States.

1 (3) The Secretary shall allot an amount which
2 bears the same ratio to 25 percent of such remainder as the
3 product of—

4 (A) the number of children in the State under age
5 5 in families with income below the poverty line; and

6 (B) the tax effort index of the State
7 bears to the sum of the corresponding products for all States.

8 (4) The Secretary shall allot an amount which bears the
9 same ratio to 25 percent of such remainder as the product
10 of—

11 (A) the number of children in the State under age
12 5; and

13 (B) the tax capacity index of the State
14 bears to the sum of the corresponding products for all States.

15 (5) The Secretary shall allot an amount which bears the
16 same ratio to 25 percent of such remainder as the product
17 of—

18 (A) the number of children in the State under age
19 5; and

20 (B) the tax effort index of the State
21 bears to the sum of the corresponding products for all States.

22 (6) For purposes of this subsection, the number of chil-
23 dren shall be determined by the Bureau of the Census in
24 compiling the most recent decennial census.

1 (7) For the purpose of this subsection, the term "State"
2 does not include Guam, American Samoa, the United States
3 Virgin Islands, the Commonwealth of the Northern Mariana
4 Islands, the Marshall Islands, the Federated States of Micro-
5 nesia, and Palau.

6 (c) **TAX CAPACITY INDEX.**—The tax capacity index is
7 equal to 100 divided by the most recent standard tax capae-
8 ity figure for the State, based on the Representative Tax
9 System, developed annually by the Advisory Commission on
10 Intergovernmental Relations.

11 (d) **TAX EFFORT INDEX.**—The tax effort index is equal
12 to the most recent measure of tax effort for the State that is
13 based on the standard tax effort measures, as developed an-
14 nually by the Advisory Commission on Intergovernmental
15 Relations, divided by 100.

16 (e) **REALLOTMENT.**—After satisfying the needs of local-
17 ities under section 7(a), the amount of any State's allotment
18 under subsection (b) for any fiscal year to carry out this Act
19 which the Secretary determines will not be required for such
20 fiscal year to carry out this Act shall be available for reallo-
21 tment from time to time, on such dates during such fiscal year
22 as the Secretary may fix, to other States in proportion to the
23 original allotments to those States under subsection (b) for
24 such fiscal year but with such proportionate amount for any
25 of those other States being reduced to the extent it exceeds

1 the sum the Secretary estimates that State needs and will be
 2 able to use for such fiscal year; and the total of those reduc-
 3 tions shall be similarly reallocated among the States whose
 4 proportionate amounts were not so reduced. Any amounts
 5 reallocated to a State under this subsection during a year shall
 6 be deemed a part of its allotment under subsection (b) for that
 7 year.

8 LOCALITY AND WITHIN STATE ALLOCATION

9 SEC. 7. (a) FEDERAL ALLOCATION TO LOCALITIES.—

10 From amounts that would be allotted to a State under section
 11 6(b) but will not be so allotted because the State elects not to
 12 participate in programs assisted under this Act, the Secretary
 13 shall allocate amounts to localities in accordance with this
 14 section. The grant which a locality is eligible to receive under
 15 section 5(b) is equal to the amount to which the locality is
 16 entitled under subsection (c) of this section.

17 (b) WITHIN STATE RESERVATION AND ALLOCA-
 18 TION.—(1) The Governor shall, from the allotment of the
 19 State under section 6(b), reserve 25 percent in each fiscal
 20 year for the activities described in paragraph (2).

21 (2) From the amount reserved in each fiscal year—

22 (A) not to exceed 5 percent may be used for ad-
 23 ministrative costs, of which at least 20 percent shall be
 24 allotted to the State Advisory Task Force;

25 (B) at least 5 percent shall be used for grants to
 26 localities in nonmetropolitan areas, and to localities for

1 the purpose of serving migrant and Indian children or
 2 if no such localities apply for funds, funds under this
 3 subparagraph may be used for purposes stated in sub-
 4 paragraph (C) of this paragraph;

5 (C) at least 10 percent shall be used for discre-
 6 tionary grants to localities for purposes set forth in this
 7 Act; and

8 (D) at least 5 percent shall be used to develop
 9 and implement statewide training programs, and to
 10 provide technical assistance to localities for training.

11 (3) The Governor shall, from the allotment of the State
 12 in each fiscal year, allocate the remaining 75 percent to lo-
 13 calities that have applications approved under section 9 of
 14 this Act, on the basis of the criteria listed in subsection (e) of
 15 this section.

16 (e) ALLOCATION RULES.—(1) From amounts available
 17 under section 7(b)(3), the Governor shall allocate—

18 (A) Sixty-seven percent of funds to localities on
 19 the basis of the number of children in the locality
 20 under age 5 in families below the poverty line, divided
 21 by the number of all children under age 5 in families
 22 below the poverty line, in the State.

23 (B) Sixteen and one-half percent of funds to local-
 24 ities on the basis of the number of children under age 5

1 in the locality, divided by the number of all children
2 under age 5 in the State.

3 (C) Sixteen and one-half percent of funds to local-
4 ities on the basis of the quality of the locality's applica-
5 tion and plan, as judged by the State Advisory Task
6 Force, in the areas of—

7 (i) the success of collaboration and coordina-
8 tion among local policy group members and serv-
9 ice providers;

10 (ii) the quality of the needs and resources as-
11 sessment required in section 12(e)(2) of this Act;
12 and

13 (iii) the plan of the locality for ongoing co-
14 ordination of services over and above those serv-
15 ices necessary to meet minimum standards re-
16 quired for submission of an application pursuant to
17 this Act.

18 The amount of a locality's allocation under this sub-
19 paragraph shall vary with the degree of success on the
20 various criteria described, except that, no locality shall
21 receive more under this subparagraph than 150 percent
22 of what it would receive if these funds were distributed
23 on the basis of subparagraphs (A) and (B) of this para-
24 graph.

1 participate in the program authorized by this Act, to the Sec-
 2 retary. Funds received by localities for planning grants shall
 3 be deducted from the funds the locality would otherwise be
 4 eligible for in the first year of the program.

5 (b) APPLICATION REQUIRED.—Each application for a
 6 planning grant shall—

7 (1) identify the members of the local policy group
 8 established under section 12;

9 (2) describe the needs and resources assessment to
 10 be conducted, as provided in section 12(e) of this Act;
 11 and

12 (3) describe the proposed planning activities of the
 13 local policy group.

14 STATE ADVISORY TASK FORCE

15 SEC. 9. (a) ESTABLISHMENT.—Any State which de-
 16 sires to receive financial assistance under this Act shall es-
 17 tablish a State Advisory Task Force.

18 (b) COMPOSITION.—(1) The Task Force shall be com-
 19 posed of a group of representatives of agencies, institutions,
 20 and other entities interested in or currently participating in
 21 the provision of early childhood development programs and
 22 child care in the State.

23 (2) The Governor shall select representatives from
 24 among—

25 (A) the office of the Governor;

26 (B) the State education agency;

1 (C) the State social services agency (or State
2 child development or child advocacy agency);

3 (D) the State Head Start association; and

4 (E) organizations representing parents within the
5 State.

6 The State Advisory Task Force shall include at least one
7 representative from each category of agencies or other enti-
8 ties listed in subparagraphs (A) through (F) of the preceding
9 sentence, except in the case of a category in which no agency
10 or entity elects to participate, or in which no such agency or
11 entity exists within the State.

12 (3) In addition to those agencies and entities listed in
13 paragraph (2), the Governor may select additional represent-
14 atives of the Task Force from among—

15 (A) resource and referral agencies within the
16 State; and

17 (B) the State Board of Education;

18 (C) the State health agency;

19 (D) the State labor or employment agency;

20 (E) the State housing agency;

21 (F) organizations representing local governments;

22 (G) organizations representing service providers;

23 (H) local educational agencies and school boards;

24 (I) each house of the State legislature;

25 (J) organizations representing teachers;

1 (K) organizations representing business; and

2 (L) organizations representing labor.

3 (4) To the extent practicable, the Task Force shall be
4 balanced according to the race, ethnicity, and gender of its
5 members.

6 (e) FUNCTIONS OF THE TASK FORCE.—The State Ad-
7 visory Task Force shall—

8 (1) recommend to the Governor a Lead State
9 Agency to administer programs to be assisted under
10 this Act in the State based on that agency's experience
11 in the administration of early childhood development
12 programs, and recommend the assignment of financial
13 responsibility to the appropriate State agencies;

14 (2) advise and assist the Lead State Agency des-
15 ignated by the Governor in the performance of its re-
16 sponsibilities set out in section 10 of this Act by con-
17 ducting a needs and resources assessment—

18 (A) to determine where early childhood de-
19 velopment programs are lacking or are inadequate
20 within the State, with particular attention to poor
21 urban and rural areas, and what special services
22 are needed within the State, such as services for
23 children whose native language is other than
24 English;

1 (B) to identify all existing State-funded, and,
2 to the extent practical, other programs serving
3 prekindergarten children (other than profitmaking
4 or sectarian) in the State, and to specify which
5 programs might be expanded or upgraded with
6 the use of funds provided by section 15 of this
7 Act to meet criteria required in section 16 of this
8 Act; and

9 (C) where appropriate, to identify other
10 sources of fiscal and other support services for
11 early childhood development programs;

12 (3) develop and submit the State application and
13 the State plan required in section 11 of this Act;

14 (4) identify and review State policies, regulations,
15 and laws that may restrict the use of facilities for the
16 delivery of early childhood development services in
17 school buildings or community agencies;

18 (5) evaluate and approve applications submitted
19 by localities, as provided under sections 7 and 13 of
20 this Act;

21 (6) prepare and submit an annual report to the
22 Governor and the Secretary on the status of early
23 childhood development programs operating within the
24 State in accordance with subsection (d);

1 (7) conduct evaluations of programs as required in
2 section 18; and

3 (8) arrange joint planning for provision of services
4 under this Act with the provision of services required
5 or authorized under other Federal laws.

6 (d) ANNUAL REPORT CONTENTS.—The report required
7 by subsection (c)(6) shall include such information as the Sec-
8 retary may reasonably require.

9 (e) CONFLICT OF INTEREST.—No member of the State
10 Advisory Task Force shall cast a vote on any matter which
11 would provide direct personal financial benefit to that
12 member or otherwise give an appearance of a conflict of in-
13 terest under State law.

14 (f) USE OF EXISTING TASK FORCES.—To the extent
15 that a State has established a task force before the date of
16 enactment of this Act which is comparable to the task force
17 described in this section, the State shall be considered to be
18 in compliance with subsections (a) and (b) of this section.

19 LEAD STATE AGENCY

20 SEC. 10. (a) DESIGNATION.—(1) The Governor shall
21 designate a Lead State Agency to administer the early child-
22 hood development programs assisted under this Act in the
23 State. The Lead State Agency shall be selected from—

24 (A) the State educational agency;

25 (B) the State department of social services; or

1 (C) the State agency for child development or
2 child advocacy.

3 The criteria used to select the Lead State Agency shall in-
4 clude experience of the agency in carrying out early child-
5 hood development programs in the State. In order to be des-
6 ignated a Lead State Agency, such agency must have the
7 authority under its charter or applicable law to receive and
8 administer Federal funds for use in support of early childhood
9 development programs, and to transfer funds so received, and
10 to act as a grantee, contractor, or sponsor of programs au-
11 thorized under this Act.

12 (2) The Governor shall assign financial responsi-
13 bility for services provided to the appropriate State
14 agencies.

15 (b) FUNCTIONS.—The Lead State Agency shall, with
16 the assistance of the State Advisory Task Force, be responsi-
17 ble for carrying out—

18 (1) the general administration, supervision, and
19 monitoring of programs and activities receiving assist-
20 ance under section 7 of this Act to ensure compliance
21 with this Act;

22 (2) contracting with other State and local service
23 providers as necessary;

24 (3) the resolution of intra- and interagency dis-
25 putes; and

1 (4) the provision of, directly, or by way of grant
2 or contract or other arrangements, technical assistance
3 to localities in developing, conducting, and administer-
4 ing programs under this Act.

5 STATE APPLICATION AND STATE PLAN

6 SEC. 11. (a) STATE APPLICATION.—Any State desir-
7 ing to receive a grant under this Act for any fiscal year shall
8 submit an application, developed by the State Advisory Task
9 Force, as required in section 9 of this Act, to the Secretary,
10 at such time and in such manner as the Secretary may rea-
11 sonably require. Each such application shall contain—

12 (1) a description and list of members of the State
13 Advisory Task Force established or designated by the
14 Governor as required in section 9 of this Act;

15 (2) the designation of a Lead State Agency that
16 will be responsible for the administration of funds pro-
17 vided under section 6 of this Act, as required by sec-
18 tion 10 of this Act;

19 (3) a State plan as required by subsections (b) and
20 (e) of this section; and

21 (4) such other information and assurances as the
22 Secretary may reasonably require.

23 (b) STATE PLAN.—Any State desiring to receive a
24 grant under this Act shall file with the Secretary a State
25 Plan, developed by the State Advisory Task Force. The Plan

1 shall be submitted to the Secretary at such time and in such
2 manner as the Secretary may reasonably require.

3 (e) CONTENTS OF PLAN.—Such plan shall—

4 (1) describe the results of the needs and resources
5 assessment, carried out by the State Advisory Task
6 Force, as provided in section 9 of this Act;

7 (2) describe how the State will upgrade where
8 necessary, expand, and coordinate with existing Head
9 Start programs;

10 (3) describe how the State will employ multiple
11 service providers;

12 (4) describe how the State will ensure compliance
13 with minimum standards required in section 16;

14 (5) describe how the State will ensure compliance
15 with the uses of funds set forth in section 15(e) and (d)
16 of this Act;

17 (6) describe how the State will meet the require-
18 ment of the non-Federal share required in section 20 of
19 this Act;

20 (7) describe the certification procedures and train-
21 ing required by the State;

22 (8) assure that funds paid to the State under this
23 Act will be expended in accordance with this Act;

24 (9) provide for (A) making such reports in such
25 form and containing such information as the Secretary

1 may require to carry out the Secretary's functions
2 under this Act, and (B) keeping such records and af-
3 fording such access thereto as the Secretary may find
4 necessary to assure the correctness and verification of
5 such reports and proper disbursement of Federal funds
6 under this Act;

7 (10) provide satisfactory assurance that Federal
8 funds made available under this Act, and the non-Fed-
9 eral funds which are required to be paid as part of the
10 non-Federal share under section 20 of this Act shall be
11 used to supplement and increase the level of State and
12 local funds expended for services, as provided in sec-
13 tion 20 of this Act;

14 (11) provide satisfactory assurance, in accordance
15 with section 24 of this Act, that such fiscal control and
16 fund accounting procedures will be adopted as may be
17 necessary to assure proper disbursement of, and ac-
18 counting for, Federal funds made available under this
19 Act and non-Federal funds which are required to be
20 paid as part of the non-Federal share under section 20
21 of this Act; and

22 (12) such other information and assurances as the
23 Secretary may reasonably require.

1 LOCAL POLICY GROUP

2 SEC. 12. (a) ESTABLISHMENT.—Any locality desiring
3 to receive a grant under this Act shall form a Local Policy
4 Group.

5 (b) COMPOSITION.—(1) The Local Policy Group shall
6 be composed of a group of representatives of Government
7 agencies, service providers, institutions, and organizations in-
8 terested in or currently participating in the provision of early
9 childhood development services in the geographic area cov-
10 ered by the locality. The local policy group shall contain no
11 more than 8 members, except as provided in paragraph (2)(C)
12 of this subsection.

13 (2)(A) The chief elected official of the locality shall
14 select the membership of the Local Policy Group. The Local
15 Policy Group shall be selected from among—

- 16 (i) the local Head Start agency;
- 17 (ii) the local board of education;
- 18 (iii) the local superintendent of schools;
- 19 (iv) the local social services agency (or, if applica-
20 ble, local child development or child advocacy agency);
- 21 and
- 22 (v) early childhood teachers.

23 The Local Policy Group shall include one representative
24 from each agency or entity listed in clauses (i) through (v) of

1 the preceding sentence, except where the agency or entity
2 elects not to participate, or does not exist within the locality.

3 (B) In addition to the entities listed in subparagraph (A)
4 of this paragraph, three parents of prekindergarten or ele-
5 mentary school-aged children shall be included in the mem-
6 bership of the local policy group. Two of such parents shall
7 be parents whose child is receiving or has received Head
8 Start services.

9 (C) Where a locality includes a consortium of more than
10 one locality, as provided in section 3(4), the chief elected
11 officials may select two representatives from each agency or
12 entity listed in clauses (i) through (v) of subparagraph (A),
13 and six parents as described in subparagraph (B) of this sec-
14 tion.

15 (3) To the extent practicable, the Local Policy Group
16 shall be balanced according to the race, ethnicity, and gender
17 of its members.

18 (4) The Local Policy Group may consult with members
19 of the community with expertise or an interest in child devel-
20 opment programs, including—

21 (A) local resource and referral agencies,

22 (B) organizations representing labor,

23 (C) employers,

24 (D) local public health and nutrition agencies,

25 (E) child development experts, and

1 (F) organizations representing child care providers
2 to assist in the development and implementation of early
3 childhood development programs.

4 (e) FUNCTIONS.—The Local Policy Group shall—

5 (1) develop a collaborative voluntary application
6 to the State from the participating agencies;

7 (2) develop a needs and resources assessment,
8 every 3 years, for the geographic area included within
9 the locality, stating—

10 (A) where services are most needed based on
11 numbers of prekindergarten children with particu-
12 lar attention to such children from families who
13 have low income;

14 (B) the existence of early childhood develop-
15 ment programs and the degree to which they
16 meet the demand for such services in the locality;

17 (C) the existence of programs serving prekin-
18 dergarten children which can be expanded or up-
19 graded to meet the requirements of this Act;

20 (D) the need for bilingual programs and serv-
21 ices for children whose native language is not
22 English, and programs and services for handi-
23 capped, migrant, Indian, and homeless children;
24 and

1 (E) a description of early childhood develop-
2 ment training programs in the locality funded by
3 this Act, and the need for additional training pro-
4 grams in the locality;

5 (3) demonstrate how the locality will work to
6 employ multiple service providers;

7 (4) identify and review local laws, regulations, or
8 policies that may restrict the use of facilities for the
9 delivery of early childhood development programs in
10 school buildings or community agencies;

11 (5) identify salary scales for staff of existing pro-
12 viders of early childhood development services and
13 child care services;

14 (6) identify job training, literacy, and adult educa-
15 tion programs that can be coordinated with family sup-
16 port services offered by child development programs;
17 and

18 (7) prepare and submit an annual report as re-
19 quired in subsection (e) of this section to the State Ad-
20 visory Task Force on the status of early childhood de-
21 velopment programs within the locality; and

22 (8) arrange for evaluations required in section 18.

23 (d) LIMITATION ON FUNCTIONS OF LOCAL POLICY

24 GROUP.—The Local Policy Group shall not supercede the
25 internal operations or administrative practices of agencies or

1 entities operating existing early childhood development pro-
2 grams, beyond evaluations required by section 18, except to
3 institute minimum standards required by section 16 or to en-
4 force the uses of funds set forth in sections 14 and 15.

5 (e) CONTENTS OF REPORT.—Each report required by
6 subsection (c)(7) shall include—

7 (1) the number and socioeconomic background of
8 children being served with funds provided under this
9 Act, listed by age if available;

10 (2) the number of children whose parents have re-
11 quested services but who are not being served;

12 (3) a description of the uses for which funds were
13 expended in accordance with section 15 of this Act;

14 (4) a description of programs expanded, upgraded,
15 or created under this Act;

16 (5) a description of salary scales used in programs
17 receiving funds under this Act;

18 (6) a description of how programs receiving funds
19 under this Act are coordinated with other existing pro-
20 grams of early childhood development for prekindergar-
21 ten children in the locality; and

22 (7) assurances that the programs funded under
23 this Act meet the requirements of sections 14, 15, and
24 16 of this Act.

1 (f) **CONFLICT OF INTEREST.**—A member of the Local
2 Policy Group shall not cast a vote on any matter which
3 would provide direct personal financial benefit to that
4 member or otherwise give an appearance of a conflict of in-
5 terest under State or local law.

6 (g) **USE OF EXISTING LOCAL POLICY GROUP.**—To the
7 extent that a locality has established a broadly representative
8 Local Policy Group before enactment of this legislation that
9 is comparable to the Local Policy Group described in this
10 section, such locality shall be considered to be in compliance
11 with subsections (a) and (b) of this section.

12 LOCAL PLAN AND APPLICATION

13 **SEC. 13. (a) APPLICATION REQUIRED.**—Any locality
14 desiring to receive a grant from the State to carry out serv-
15 ices assisted under this Act shall—

16 (1) form or designate a Local Policy Group, in ac-
17 cordance with section 12 of this Act; and

18 (2) submit to the State an application prepared by
19 the Local Policy Group.

20 Such application may be for up to 3 years, subject to annual
21 review, and is renewable.

22 (b) **CONTENTS OF APPLICATION.**—Each application
23 prepared pursuant to subsection (a) shall contain—

24 (1) a service delivery plan from all participating
25 service providers, that includes—

1 (A) the name and location of all planned sites
2 and a description of services which will be pro-
3 vided at each site under such plan;

4 (B) a description of how the locality will
5 employ multiple service providers, such as Head
6 Start and Local Educational Agencies, except as
7 provided in section 16(b)(1);

8 (C) a plan for ongoing coordination of early
9 childhood development services at each site be-
10 tween (i) Head Start providers and local educa-
11 tional agencies, whether or not such providers or
12 agencies are receiving funds under this Act, and
13 (ii) between entities in clause (i) and any other re-
14 cipients of funds under this Act;

15 (D) a description of how priority for the use
16 of funds made available under this Act is being
17 given to the expansion and upgrading of existing
18 programs, as required by section 15(e) of this Act;

19 (E) the number of children receiving services
20 free of charge, the number of children receiving
21 services for payment of fees, the level of such fees
22 paid at each site, and the distribution of such chil-
23 dren among service providers;

24 (F) the results of the local needs and re-
25 sources assessment conducted by the Local Policy

1 Group, as provided in section 12(e)(2) of this Act,
2 a description of what needs for services have been
3 identified by such assessment, and a description of
4 how the plan for coordination of services address
5 the indicated needs;

6 (G) a description of certification and other
7 qualifications of staff, a plan for training of profes-
8 sional staff and employees, the turnover or mobil-
9 ity rate of professional staff and employees, if
10 available, and a description of salary schedules,
11 and how such schedules reflect level of training,
12 expertise, and experience of employees;

13 (H) a description of how the locality will pro-
14 vide the non-Federal share required under section
15 20 of this Act if any portion thereof is not paid by
16 the State;

17 (I) a description of how the locality will
18 ensure compliance with the uses of funds set forth
19 in section 15 of this Act;

20 (J) assurances that Federal minimum stand-
21 ards in section 16 of this Act will be adhered to;

22 (K) a plan for evaluations required in section
23 18; and

24 (L) such additional assurances or information
25 as the Secretary may reasonably require; and

1 (2) evidence demonstrating effective use of exist-
2 ing Federal and State funds received by the locality for
3 services for prekindergarten children.

4 (e) LOCAL ADMINISTERING AGENCY.—(1) In each
5 locality the chief elected official (or officials, in the case of
6 consortium of more than one locality) shall select a local ad-
7 ministering agency for the locality from the local education
8 agencies, local social services agencies, and the local child
9 development agencies within the locality.

10 (2) The selection of the local administering agency shall
11 be based on the experience of such agency in administering
12 early childhood development programs. To be eligible to be
13 designated a local administering agency, such agency shall
14 have the authority under its charter or applicable law to re-
15 ceive, redistribute, and monitor grants to provide early child-
16 hood development services under this Act.

17 (3) The local administering agency of each locality shall
18 be designated as the coordinator of all programs assisted
19 under this Act for the locality for the purpose of administra-
20 tion and fiscal control.

21 (4) Each local administering agency shall work with ex-
22 isting local resource and referral agencies.

23 (5) Each administering agency shall follow the plan de-
24 veloped by the Local Policy Group for the provision of serv-
25 ices assisted by this Act.

1 (d) **SUBMISSION OF LOCAL APPLICATION.**—(1) Any lo-
 2 cality desiring to receive financial assistance under this Act,
 3 that is located in a State receiving funds under this Act, shall
 4 submit an application to the State Advisory Task Force for
 5 the State in which such locality is located.

6 (2) Any locality desiring to receive financial assistance
 7 under this Act, that is located in a State that has chosen not
 8 to receive funds under this Act, shall—

9 (A) submit an application to the Secretary for a
 10 grant at such time and in such manner as the Secre-
 11 tary may reasonably require; and

12 (B) comply with the requirements under section
 13 12 and subsections (a) and (b) of section 13 of this Act.

14 The service delivery plan required by section 13(b) shall also
 15 include the information required under sections 11(b) and
 16 11(e) to the extent the information required therein pertains
 17 to the area to be served by the locality.

18 **ELIGIBLE CHILDREN AND FAMILIES**

19 **SEC. 14. (a) AGE REQUIREMENT.**—Any child is eligible
 20 to participate in programs assisted under this Act in the
 21 school year 2 years prior to the school year in which the
 22 child would be eligible, under State law, to enter first grade.
 23 Any State or locality which has served all children of the
 24 eligible age group requesting services may use funds under
 25 this Act to serve children in the school year 2 years prior to

1 the school year in which they would be eligible, under State
2 law, to enter first grade. A State or locality may use funds
3 under this Act to upgrade and expand existing programs
4 serving children aged 3 years through 5 years, provided the
5 supplementation of funding requirements of section 20 are
6 met.

7 (b) FAMILY CONTRIBUTION.—(1) Eligible children in
8 families with annual incomes under 115 percent of the pover-
9 ty line are eligible to receive services provided under this Act
10 without charge.

11 (2)(A) Eligible children in families with annual incomes
12 at or above 115 percent of the poverty line are eligible to
13 receive services provided by this Act with payment of fees on
14 a sliding scale up to the full cost of such service except that,
15 pursuant to part B of the Education of the Handicapped Act,
16 services included in a handicapped child's individualized edu-
17 cation program shall be furnished to such child without
18 charge. The sliding scale shall be developed by the State, or
19 locality if the State is not participating, based on income
20 level, family size, and relative cost of living. Such sliding
21 scale shall ensure that families that can afford to pay the full
22 cost of services do pay such cost. The maximum fee per child
23 shall not exceed the cost per child of the services provided.
24 Total fees for all eligible children in a family receiving serv-

1 fees under this Act shall not exceed 10 percent of a family's
2 gross income.

3 (B) Nothing in subparagraph (A) shall be construed to
4 prevent any State or locality from paying part or all of the
5 cost of fees paid by families under subparagraph (A) with
6 non-Federal funds.

7 USE OF FUNDS

8 SEC. 15. (a) IN GENERAL.—Localities may use funds
9 furnished under this Act.—

10 (1) to expand or upgrade, through grant or con-
11 tract, existing public or nongovernmental nonprofit pro-
12 grams for prekindergarten children to operate them
13 during the full day and full calendar year and in com-
14 pliance with the requirements of section 16 of this Act,
15 or

16 (2) to create, through grant or contract to public
17 or nongovernmental nonprofit entities, full day, full calendar
18 year early childhood development programs that
19 comply with the provisions of this Act.

20 (b) AUTHORIZED ACTIVITIES.—Grants under this Act
21 may be used for—

22 (1) development of and training in the use of de-
23 velopmentally appropriate early childhood curricula, in-
24 cluding curricula that take into account the communi-
25 cation skills of children, including those whose native
26 language is not English, and which are culturally sen-

1 sitive and avoid race-based and gender-based stereo-
2 typing;

3 (2) provide directly, or by grant or contract, serv-
4 ices to enable an early childhood development program
5 to operate during the full day, and full calendar year;

6 (3) health screening and diagnosis of children;

7 (4) provision of health, mental health, and social
8 services to children described in section 14(b)(1);

9 (5) nutrition services and nutrition education;

10 (6) parent outreach and involvement, including
11 family home visits;

12 (7) family support and parenting education;

13 (8) referral and assistance in procuring education,
14 nutrition, health, mental health, and other social serv-
15 ices for families of children receiving early childhood
16 development services;

17 (9) prenatal health and education services for par-
18 ents of children receiving early childhood development
19 services;

20 (10) distribution of information about available
21 services, establishing connections to resource and refer-
22 ral agencies, and locality outreach;

23 (11) staff and personnel training in early childhood
24 development including training conducted in conjunc-
25 tion with other service providers with particular atten-

1 tion to avoidance of race-based and gender-based
2 stereotyping;

3 (12) upgrading the salaries of early childhood de-
4 velopment professional staff, and the development of
5 salary schedules for staff with varying levels of experi-
6 ence, expertise, and training;

7 (13) activities designed to ensure that groups of
8 children participating in early childhood development
9 programs are mixed according to gender, race, ethnic-
10 ity, handicapping condition, and socioeconomic status;

11 (14) acquisition or development of materials and
12 equipment;

13 (15) rental of space for provision of services, and
14 minor building renovation or remodeling of schools,
15 community-based agencies or business facilities to ac-
16 commodate programs for young children;

17 (16) transportation of children;

18 (17) recruiting or subsidizing senior citizens to
19 work with children; and

20 (18) evaluation of services.

21 (e) **PRIORITY.**—Where early childhood development
22 programs serving eligible children exist within localities re-
23 ceiving funds under this Act, priority for the use of such
24 funds shall be given to expanding such programs to serve
25 more children and upgrading such programs to meet mini-

1 minimum standards required in section 16 of this Act. Funds may
 2 be used to establish new programs only if the needs of the
 3 locality may not be met by expanding or upgrading existing
 4 programs.

5 (d) LIMITATION.—(1) At least 50 percent of spaces cre-
 6 ated by funds available under this Act shall be filled by chil-
 7 dren whose families earn annually less than 115 percent of
 8 the poverty level.

9 (2) At least 67 percent of the funds made available
 10 under this Act shall be used by service providers to serve
 11 children from families who earn annually less than 115 per-
 12 cent of the poverty level, or shall be allocated to programs
 13 which serve primarily children from families who earn annu-
 14 ally less than 115 percent of the poverty level.

15 MINIMUM STANDARDS

16 SEC. 16. (a) SERVICE PROVIDERS.—A service provider
 17 serving children with funds under this Act shall meet the
 18 following minimum standards or use funds to bring programs
 19 in compliance with the following minimum standards:

20 (1) The child to adult ratio shall not exceed 10 to
 21 1 at any time. For the purpose of calculating child to
 22 adult ratio, the term "adult" includes only individuals
 23 in direct contact with, and with primary responsibility
 24 for, supervising children.

25 (2) The maximum group size shall be 20 children.

1 (3) Services shall be available for the full day and
2 full calendar year, although families shall be given the
3 option of enrolling their children part time.

4 (4)(A) At least one staff member supervising each
5 group of children shall have training and experience in
6 early childhood education or child development. The
7 staff member shall be certified in early childhood edu-
8 cation or child development, if the State has a certifi-
9 cation procedure in these areas, or, if the State does
10 not have a certification procedure, the staff member
11 shall have a nationally recognized child development
12 credential or postsecondary education with significant
13 coursework in early childhood development.

14 (B) Additional staff members who do not have the
15 qualifications described in subparagraph (A) shall re-
16 ceive a minimum of 40 hours of preservice training.

17 (C) All staff members shall receive 24 hours a
18 year of inservice training during the duration of their
19 employment; and where practical, an on-site curricu-
20 lum specialist with training and experience in early
21 childhood development shall be responsible for training
22 all staff to apply the curricula selected by the program.

23 (5) Service deliverers shall use developmentally
24 appropriate curricula that are appropriate for the
25 child's age and all areas of the individual child's devel-

1 opment including educational, cognitive, physical, emo-
2 tional, social and communication skills of children, in-
3 cluding skills of children whose native language is
4 other than English. Standardized tests shall not be
5 used to determine assignment to a group or admission
6 to a program.

7 (6) Service providers shall provide adequate and
8 nutritious meals and snacks, including breakfast at
9 parent request.

10 (7) Service providers shall provide health screen-
11 ing and screening for handicapping conditions and shall
12 ensure that appropriate follow-up services are provid-
13 ed. Service providers shall make referrals to health,
14 mental health, and social services for which the en-
15 rolled child and her family are eligible at the Federal,
16 State, and local levels, and shall ensure that such serv-
17 ices are provided to families that request them.

18 (8) Service providers shall provide parenting edu-
19 cation and family support services.

20 (9) Service providers shall coordinate with the
21 local public school system to facilitate sharing of re-
22 sources and expertise where practical, including diag-
23 nostic and remedial services and staff training, and to
24 provide for the enrolled child's transition to elementary
25 school. Local educational agencies shall make arrange-

1 ments for a representative of such agency to facilitate
2 such coordination.

3 (10) Service providers shall coordinate early child-
4 hood development programs funded under this Act with
5 programs serving infants and toddlers, in order to pro-
6 vide continuity of care.

7 (11) Service providers shall ensure active parental
8 involvement, which—

9 (A) involves parental outreach;

10 (B) ensures parents unlimited access to ob-
11 serve the program in which their children are en-
12 rolled;

13 (C) involves parents in the program cur-
14 ricula;

15 (D) provides access to all evaluations of the
16 program to parents;

17 (E) arranges regular opportunities for parents
18 to meet with professional staff including individ-
19 uals such as child development specialists;

20 (F) permits parents (other than full-time
21 staff) the opportunity to volunteer their services
22 within the classroom setting; and

23 (G) ensures parents a role in policymaking.

1 Participation by parents within the classroom shall not
 2 be considered for the purpose of satisfying any of the
 3 requirements imposed by this section regarding staff.

4 (12) Service providers shall ensure the physical
 5 safety of children served and comply with—

6 (A) any applicable State and local law or
 7 policy for licensing, health, environmental, sanita-
 8 tion, building, and fire safety; and

9 (B) Federal and State child care standards
 10 applicable to programs for children of the age
 11 group served.

12 (b) LOCALITIES.—A locality serving children with
 13 funds under this Act shall meet the following minimum stand-
 14 ards or use funds to bring programs in compliance with the
 15 following minimum standards:

16 (1) A locality shall employ multiple service pro-
 17 viders to ensure that one agency or organization does
 18 not become the sole provider of early childhood devel-
 19 opment services funded under this Act, unless such lo-
 20 cality certifies to the State (or in the case of a locality
 21 applying directly to the Secretary, certifies to the Sec-
 22 retary), as part of the application required by section
 23 13, that there exists only one service provider in the
 24 locality. Furthermore, localities shall give high priority

1 to the expansion and upgrading of existing programs
2 with funds provided under this Act.

3 (2) A locality shall ensure that no child receiving
4 services in programs assisted by this Act shall be
5 denied continued services as a result of changes in
6 family income.

7 (c) **HEAD START AGENCY.**—Each Head Start agency
8 receiving funds under this Act shall be deemed in compliance
9 with minimum standards set forth in paragraphs (5), (6), (7),
10 and (11), of subsection (a) of this section, if it is in compliance
11 with the Head Start Performance Objectives.

12 **FEDERAL ADMINISTRATIVE PROVISIONS**

13 **SEC. 17. (a) ROLE OF SECRETARY.**—Consistent with
14 the provisions of this Act, the Secretary of Education and the
15 Secretary of Health and Human Services shall jointly devel-
16 op and issue policy regulations for carrying out the provisions
17 of this Act. Subject to the previous sentence, the Secretary
18 has the responsibility to carry out the provisions of this Act.
19 The Secretary shall use the expertise of early education ex-
20 perts at the Department of Education, particularly regarding
21 developmentally appropriate curriculum, and early childhood
22 experts in the Department of Health and Human Services,
23 particularly regarding health and social services.

24 (b) **WITHHOLDING OF PAYMENTS.**—(1) Whenever the
25 Secretary, after reasonable notice to the Lead State Agency
26 (or, in the case of a grant provided under section 5(b) of this

1 Act, to the locality) and an opportunity for a hearing, finds
2 that there has been a failure to comply substantially with any
3 assurances required to be given or conditions required to be
4 met under this Act, the Secretary shall notify such agency (or
5 locality) of the findings and that beginning 60 days after the
6 date of such notification, further payments will not be made
7 to the State (or locality) under this Act (or, in the Secretary's
8 discretion, that the Lead State Agency shall reduce or termi-
9 nate further payments under this Act to any locality or serv-
10 ice provider) until the Secretary is satisfied that there is no
11 longer any such failure to comply. Until the Secretary is so
12 satisfied—

13 (A) payments to the State (or locality) under this
14 Act shall be reduced or terminated, or

15 (B) payments by the Lead State Agency under
16 this Act shall be limited to localities and service pro-
17 viders not affected by the failure.

18 A transcript or recording shall be made of any hearing con-
19 ducted under this section and shall be available for inspection
20 by any person.

21 (2) Upon submission to a State (or locality) of a notice
22 under paragraph (1) of this subsection that the Secretary is
23 withholding payments, the State (or locality) shall take such
24 action as may be necessary to bring its actions into compli-
25 ance with the provisions of this Act.

1 (e) JUDICIAL REVIEW.—(1) If any State (or locality) is
2 dissatisfied with the Secretary's action under subsection (a) of
3 this section, such State (or locality) may, within 60 days after
4 notice of such action, file with the United States Court of
5 Appeals for the circuit in which such State (or locality) is
6 located a petition for review of that action. A copy of the
7 petition shall be transmitted by the clerk of the court to the
8 Secretary. The filing of such petition shall act to suspend any
9 withholding of funds by the Secretary pending the judgment
10 of the court and prior to a final action on any review of such
11 judgment. The Secretary thereupon shall file in the court the
12 record of the proceedings on which he or she based the action
13 which is the subject of the appeal.

14 (2) A Lead State Agency (or locality) shall be presumed
15 to have complied with this Act, but the findings of fact by the
16 Secretary, if supported by the weight of the evidence, may
17 overcome such presumption. The court may remand the case
18 to the Secretary to take further evidence, and the Secretary
19 may thereupon make new or modified findings of fact and
20 may modify his or her previous action, and shall file in the
21 court the record of the further proceedings.

22 (3) Upon the filing of such petition, the court shall have
23 jurisdiction to affirm the action of the Secretary or to set it
24 aside, in whole or in part. The judgment of the court shall be
25 subject to review by the Supreme Court of the United States

1 upon certiorari or certification as provided in section 1254 of
2 title 28, United States Code.

3 (d) CONTINUING ACTIVITIES PROTECTED.—No Head
4 Start agency receiving funds under this Act which, prior to
5 the date of enactment of this Act, was located in any facility
6 owned or operated by a local educational agency shall—

7 (1) by reason of being selected to administer a
8 program with funds under this Act, or

9 (2) by reason of the selection of the local educa-
10 tional agency to administer a program with funds
11 under this Act,

12 be denied the continued use of such facilities in accordance
13 with the arrangements with respect to such facilities so in
14 effect.

15 EVALUATION

16 SEC. 18. (a) LOCAL POLICY GROUP EVALUATION.—

17 The Local Policy Group shall arrange for the periodic on-site
18 evaluation of the local programs by reviewers including com-
19 munity members and early childhood development experts
20 who are not directly involved in the administration of the
21 program. The results of such evaluations shall be made avail-
22 able to the service providers, parents of eligible children, in-
23 terested members of the locality, and the State Advisory
24 Task Force.

1 **(b) STATE EVALUATION.**—The Lead State Agency
2 shall arrange for periodic on-site monitoring and inspection of
3 programs assisted under this Act for compliance with the
4 minimum standards set forth in section 16. The State Advi-
5 sory Task Force shall evaluate programs assisted under this
6 Act for success in achieving stated goals of the program and
7 for impact on related programs. Evaluations shall be con-
8 ducted by reviewers who are not directly involved in the ad-
9 ministration of the program. The results of the evaluations
10 shall be made available to service providers, parents of eligi-
11 ble children, interested members of the locality, and the
12 Secretary.

13 **(c) ANNUAL REPORT.**—(1) The Secretary shall ensure
14 that programs are inspected and monitored for compliance
15 with the minimum standards set forth in section 16 of this
16 Act.

17 (2) The Secretary shall prepare and submit to appropri-
18 ate Committees of the Congress an annual report. The report
19 shall include a summary of the information contained in re-
20 ports submitted by States.

21 **(d) GENERAL EVALUATIONS.**—(1) The Secretary shall
22 provide, directly or by way of grant or contract, for the con-
23 tinuing evaluation of programs assisted under this Act, in-
24 cluding evaluations that measure and evaluate the impact of
25 programs authorized by this Act, in order to determine their

1 effectiveness in achieving stated goals, their impact on relat-
2 ed programs, and their structure and mechanisms for delivery
3 of services, including, where appropriate, comparisons with
4 appropriate control groups composed of persons who have
5 not participated in such programs. Evaluations shall be con-
6 ducted by persons not directly involved in the administration
7 of the program being evaluated.

8 (2) The Secretary shall publish the results of evaluative
9 research and summaries of evaluations of programs and pro-
10 jected impact and effectiveness not later than 90 days after
11 the completion thereof. The Secretary shall submit to the
12 appropriate Committees of the Congress a copy of all such
13 research studies and evaluation summaries.

14 (3) The Secretary shall take the necessary action to
15 ensure that all studies, evaluations, proposals, and data pro-
16 duced or developed with assistance under this section shall
17 become the property of the United States.

18 **NONDISCRIMINATION**

19 **SEC. 10.** The Secretary shall not award financial assist-
20 ance for any program, project, or activity under this Act
21 unless the grant or contract with respect thereto specifically
22 provides that no person with responsibilities in the operation
23 thereof will discriminate with respect to any such program,
24 project, or activity because of race, religion, color, national
25 origin, sex, political affiliation, handicap or age.

1 ~~PAYMENTS; NON-FEDERAL SHARE; SUPPLEMENTATION OF~~
2 ~~FUNDING~~

3 ~~SEC. 20. (a) PAYMENTS.—~~(1) The Secretary shall pay
4 to each State, or locality in the case of a nonparticipating
5 State, having an application approved under section 11, or
6 13, as the case may be, the Federal share of the cost of the
7 activities described in the application.

8 (2) The Federal share—

9 (A) for the first year in which the State receives
10 funds under this Act shall be 75 percent;

11 (B) for the second such year shall be 60 percent;
12 and

13 (C) for the third such year and each year thereaf-
14 ter shall be 50 percent.

15 (3) The Federal share—

16 (A) for the first year for which a locality, located
17 in a nonparticipating State, receives assistance under
18 this Act shall be 80 percent;

19 (B) for the second such year shall be 75 percent;
20 and

21 (C) for the third such year and each succeeding
22 year shall be 70 percent.

23 (b) ~~NON-FEDERAL SHARE.—~~(1) The non-Federal share
24 of payments under this Act may be in cash or in kind, fairly

1 evaluated, including plant, equipment, or services, subject to
2 the limitations in subparagraph (2).

3 (2) A State receiving funds under this Act shall pay at
4 least 75 percent of the non-Federal share. Such payment
5 shall be in cash from non-Federal sources. States shall not
6 require localities to contribute more than 25 percent of the
7 non-Federal share or to contribute to the cash portion of the
8 non-Federal share.

9 (c) SUPPLEMENTATION OF FUNDING—(1) All Federal
10 funds and funds paid as a part of the non-Federal share under
11 this Act shall be used to supplement the level of State and
12 local public funds expended for services assisted under this
13 Act in the previous fiscal year.

14 (2) The supplementation requirement of this subsection
15 shall be satisfied with respect to a particular program if the
16 aggregate expenditure in such program for the fiscal year in
17 which services are to be provided will not be less than the
18 aggregate expenditure in such program in the previous year,
19 excluding Federal and non-Federal funds provided under this
20 Act.

21 (d) WAIVER.—If the Secretary determines that a State,
22 or in a nonparticipating State, a locality, would suffer sub-
23 stantial hardship as a result of paying the non-Federal share
24 of payments because of the State's or locality's economic
25 condition or substantial prior commitment of funds for early

1 childhood development programs, the Secretary may waive
 2 such non-Federal share in part or in whole for such period of
 3 time as the Secretary deems necessary.

4 **RECORDS AND AUDITS**

5 **SEC. 21. (a) RECORDS.**—Each recipient of financial as-
 6 sistance under this Act shall keep records as the Secretary
 7 shall prescribe, including records which fully disclose the
 8 amount and disposition by such recipient of such financial
 9 assistance, the total cost of the program supplied by other
 10 sources, and such other records as will facilitate an effective
 11 audit.

12 **(b) AUDITS.**—The Secretary and the Comptroller Gen-
 13 eral of the United States, or any of their duly authorized
 14 representatives, shall have access for the purpose of audit
 15 and examination to any books, documents, papers, and
 16 records of the recipients that are pertinent to the financial
 17 assistance received under this Act.

18 **SHORT TITLE; TABLE OF CONTENTS**

19 **SECTION 1. (a) SHORT TITLE.**—This Act may be cited
 20 as the “Smart Start: The Community Collaborative for
 21 Early Childhood Development Act of 1989”.

22 **(b) TABLE OF CONTENTS.**—

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1 **STATEMENT OF FINDINGS AND PURPOSE**

2 **SEC. 2. (a) FINDINGS.—Congress finds that—**

3 (1) high quality early childhood development pro-
4 grams can increase the literacy rate, the graduation
5 rate, the employment rate, and the rate of enrollment
6 in higher education for those children who receive such
7 programs;

8 (2) high quality early childhood development pro-
9 grams can also decrease the incidence of cognitive,
10 learning, and emotional handicaps, teenage pregnancy,
11 welfare dependency, and incidence of arrest and juve-
12 nile delinquency for those children who receive such
13 programs;

14 (3) high quality early childhood development pro-
15 grams are cost effective, saving taxpayers \$6 for every
16 \$1 invested;

17 (4) despite these well-documented, long-term ad-
18 vantages, only one-third of the children who live in

1 *poverty are enrolled in early childhood development*
2 *programs;*

3 *(5) the less income and education parents have,*
4 *the less likely their children are to be enrolled in early*
5 *childhood development programs;*

6 *(6) many working families cannot afford high*
7 *quality early childhood development programs for their*
8 *children;*

9 *(7) half of all preschool children have two parents*
10 *in the workforce or live in single parent families, and*
11 *the number is growing;*

12 *(8) because of the growing number of such chil-*
13 *dren, there is a great need for affordable high quality*
14 *full day, full calendar year early childhood develop-*
15 *ment programs;*

16 *(9) existing programs of early childhood develop-*
17 *ment that run only half-day or only during the school-*
18 *day and school-year should be extended to meet the full*
19 *child care needs of parents;*

20 *(10) existing children's programs that do not meet*
21 *the educational, physical, emotional, social, cognitive*
22 *and communication developmental needs that high*
23 *quality programs provide should be upgraded to provide*
24 *these services to preschool children;*

1 (11) *the low salaries paid to professional staff in*
 2 *early childhood development programs, the lack of a*
 3 *professional career progression for such staff, and the*
 4 *lack of child development specialists makes it difficult*
 5 *to maintain high quality in programs for young*
 6 *children;*

7 (12) *many States and localities have established*
 8 *early childhood development programs to help meet the*
 9 *needs of young children and their families, particularly*
 10 *low-income families; and*

11 (13) *there remains a great need for high quality*
 12 *full day, full calendar year programs, which could be*
 13 *met both by expanding and upgrading existing early*
 14 *childhood programs and by creating new childhood de-*
 15 *velopment programs.*

16 (b) *PURPOSE.—It is therefore the purpose of this Act—*

17 (1) *to make widely available to prekindergarten*
 18 *children, especially to low-income children, a high-*
 19 *quality, child-centered, developmentally appropriate*
 20 *early childhood development program;*

21 (2) *to make widely available to parents who wish*
 22 *such services a full day, full calendar year program in*
 23 *which they can enroll their prekindergarten children;*

24 (3) *to make efficient use of Federal, State, and*
 25 *local resources for early childhood development by pro-*

1 *moting collaboration and coordination at the Federal,*
2 *State, and local levels;*

3 (4) *to assist State and local governments in pro-*
4 *viding comprehensive developmentally appropriate*
5 *early childhood programs as well as health, nutrition,*
6 *mental health, and other social services to all prekin-*
7 *dergarten students, including students whose native*
8 *language is other than English, and especially to*
9 *needy prekindergarten students in poor urban and*
10 *rural areas;*

11 (5) *to assist State and local governments in ex-*
12 *panding, improving, or establishing early childhood de-*
13 *velopment programs using existing facilities that meet*
14 *State and local safety code requirements;*

15 (6) *to assist State and local governments in*
16 *making available family support and parenting educa-*
17 *tion to parents of children in early childhood develop-*
18 *ment programs who request such services;*

19 (7) *to provide incentives for community collabora-*
20 *tion, including public-private partnerships, in the de-*
21 *livery of comprehensive early childhood services*
22 *through schools, Head Start agencies, and other com-*
23 *munity-based organizations;*

24 (8) *to provide resources to ensure a smooth transi-*
25 *tion for students from prekindergarten into the elemen-*

1 *health impaired child or a child with specific learning*
2 *disabilities who by reason thereof requires special edu-*
3 *cation and related services.*

4 (5) *The term "locality" means a city, county,*
5 *township, or the appropriate agency of any other gener-*
6 *al purpose unit of local government, or an Indian res-*
7 *ervation. For purposes of this Act, a consortium of*
8 *more than one locality acting together may be consid-*
9 *ered a locality.*

10 (6) *The term "poverty line" has the same mean-*
11 *ing given that term in section 673(2) of the Communi-*
12 *ty Services Block Grant Act.*

13 (7) *The term "prekindergarten" means 2 years*
14 *before a child is eligible under State law to enter first*
15 *grade.*

16 (8) *The term "State" means each of the several*
17 *States, the District of Columbia, the Commonwealth of*
18 *Puerto Rico, Guam, American Samoa, the United*
19 *States Virgin Islands, the Commonwealth of the*
20 *Northern Mariana Islands, the Marshall Islands, the*
21 *Federated States of Micronesia, and Palau.*

22 (9) *The term "parent" includes a legal guardian*
23 *or other person standing in loco parentis.*

24 (10) *The term "service provider" means any*
25 *public or nonsectarian nonprofit deliverer of early*

1 *childhood development services, including a local edu-*
2 *cational agency, Head Start center, and community-*
3 *based organization receiving funds under this Act.*

4 (11) *The term "Secretary" unless otherwise speci-*
5 *fied, means the Secretaries of Education and Health*
6 *and Human Services, acting jointly, except that "Sec-*
7 *retary" means the Secretary of Education for purposes*
8 *of sections 4, 6, 7, 8, 17, 20, and 21 of this Act.*

9 (12) *The term "training" means that instruction*
10 *in early childhood development that is required for cer-*
11 *tification by existing State and local laws, regulations,*
12 *and policies, or, in a State with no certification proce-*
13 *dures, a nationally recognized credential such as the*
14 *Child Development Associate credential, or postsecond-*
15 *ary education with significant coursework in early*
16 *childhood education or early childhood development.*

17 (13) *The term "child development specialists"*
18 *shall include but not be limited to school counselors,*
19 *school social workers, school psychologists, speech-lan-*
20 *guage pathologists, and other qualified professional per-*
21 *sonnel involved in providing developmental assessment,*
22 *counseling, therapeutic, and other necessary services as*
23 *part of a comprehensive child development services*
24 *program.*

1 *(I) the amount appropriated to carry out*
 2 *chapter 1, of title I, of the Elementary and Sec-*
 3 *ondary Education Act of 1965 for such fiscal*
 4 *year, over*

5 *(II) \$5,092,000,000, or*

6 *(B) the excess, if any, of—*

7 *(I) the amount appropriated to carry out the*
 8 *Head Start Act for such fiscal year, over*

9 *(II) \$1,536,000,000.*

10 *(2) No amount may be appropriated pursuant to para-*
 11 *graph (1) until the amount appropriated in any one of the*
 12 *fiscal years set forth in paragraph (1) to carry out section*
 13 *619 of the Education of the Handicapped Act exceeds*
 14 *\$306,000,000.*

15 *(3) The amount authorized to be appropriated under*
 16 *paragraph (1) shall not exceed \$500,000,000 for fiscal year*
 17 *1990; \$750,000,000 for fiscal year 1991; \$1,000,000,000*
 18 *for fiscal year 1992; and \$1,000,000,000 for fiscal year*
 19 *1993.*

20 *ELIGIBILITY FOR FEDERAL ASSISTANCE*

21 *SEC. 5. (a) STATE ELIGIBILITY.—A State shall be*
 22 *eligible to receive its allotment under section 6 of this Act if*
 23 *the State—*

24 *(1) provides assurances to the Secretary that the*
 25 *State has established or designated a State Advisory*

1 (2) *The Secretary shall allot an amount which bears the*
2 *same ratio to 25 percent of such remainder as the product*
3 *of—*

4 (A) *the number of children in the State under age*
5 5 *in families with income below the poverty line; and*

6 (B) *the tax capacity index of the State*
7 *bears to the sum of the corresponding products for all States.*

8 (3) *The Secretary shall allot an amount which*
9 *bears the same ratio to 25 percent of such remainder as the*
10 *product of—*

11 (A) *the number of children in the State under age*
12 5 *in families with income below the poverty line; and*

13 (B) *the tax effort index of the State*
14 *bears to the sum of the corresponding products for all States.*

15 (4) *The Secretary shall allot an amount which bears the*
16 *same ratio to 25 percent of such remainder as the product*
17 *of—*

18 (A) *the number of children in the State under age*
19 5; *and*

20 (B) *the tax capacity index of the State*
21 *bears to the sum of the corresponding products for all States.*

22 (5) *The Secretary shall allot an amount which bears the*
23 *same ratio to 25 percent of such remainder as the product*
24 *of—*

1 (A) *the number of children in the State under age*
2 5; and

3 (B) *the tax effort index of the State*
4 *bears to the sum of the corresponding products for all States.*

5 (6) *For purposes of this subsection, the number of chil-*
6 *dren shall be determined by the Bureau of the Census in*
7 *compiling the most recent decennial census.*

8 (7) *For the purpose of this subsection, the term "State"*
9 *does not include Guam, American Samoa, the United States*
10 *Virgin Islands, the Commonwealth of the Northern Mariana*
11 *Islands, the Marshall Islands, the Federated States of Micro-*
12 *nesia, and Palau.*

13 (c) *HOLD HARMLESS.—No State shall receive an allot-*
14 *ment under this section for any fiscal year which is less than*
15 *80 percent of the allotment such State received in the first*
16 *fiscal year preceding such fiscal year as a result of changes*
17 *in the tax capacity index or the tax effort index for such*
18 *State.*

19 (d) *STATE MINIMUM.—No State shall receive an allot-*
20 *ment under this section for any fiscal year which is less than*
21 *one quarter of 1 percent of the amount appropriated under*
22 *section 4(b) to carry out the provisions of this Act.*

23 (e) *TAX CAPACITY INDEX.—The tax capacity index is*
24 *equal to 100 divided by the most recent standard tax capacity*
25 *figure for the State, based on the Representative Tax*

1 *System, developed annually by the Advisory Commission on*
2 *Intergovernmental Relations.*

3 (f) *TAX EFFORT INDEX.*—*The tax effort index is equal*
4 *to the most recent measure of tax effort for the State that is*
5 *based on the standard tax effort measures, as developed an-*
6 *nually by the Advisory Commission on Intergovernmental*
7 *Relations, divided by 100.*

8 (g) *REALLOTMENT.*—(1) *After satisfying the needs of*
9 *localities under section 7(a), the amount of any State's allot-*
10 *ment under this section for any fiscal year to carry out this*
11 *Act which the Secretary determines will not be required for*
12 *such fiscal year to carry out this Act shall be available for*
13 *reallotment from time to time, on such dates during such*
14 *fiscal year as the Secretary may fix, to other States in pro-*
15 *portion to the original allotments to those States under this*
16 *section for such fiscal year but with such proportionate*
17 *amount for any of those other States being reduced to the*
18 *extent it exceeds the sum the Secretary estimates that State*
19 *needs and will be able to use for such fiscal year; and the*
20 *total of those reductions shall be similarly reallocated among*
21 *the States whose proportionate amounts were not so reduced.*
22 *Any amounts reallocated to a State under this subsection*
23 *during a year shall be deemed a part of its allotment under*
24 *this section for that year.*

1 (2) *For the purpose of paragraph (1) the original allot-*
 2 *ment under this section for a State to which subsection (d)*
 3 *applies shall be equal to the excess, if any, of the amount*
 4 *determined under subsection (d) minus the amount deter-*
 5 *mined under subsection (b) with respect to such State.*

6 (h) *SPECIAL RULE.—(1) In any fiscal year in which*
 7 *the amount appropriated is less than \$50,000,000, the provi-*
 8 *sions of subsections (a), (b), (c), and (d) shall not apply and*
 9 *the Secretary shall make discretionary grants to States and*
 10 *localities on the basis of—*

11 (A) *the quality of the State or local plan required*
 12 *by sections 11 and 13, including the quality of coordi-*
 13 *nation;*

14 (B) *the needs of States and localities;*

15 (C) *the geographic distribution of grants awarded*
 16 *under this subsection;*

17 (D) *the diversity of grants to rural and urban lo-*
 18 *calities; and*

19 (E) *the quality of the proposed program to become*
 20 *a model of excellence for replication.*

21 (2) *The Secretary shall make grants of sufficient size so*
 22 *that the programs established with such grants may serve as*
 23 *model programs.*

24 (3) *For the purposes of this Act other than the purposes*
 25 *of this subsection, grants made to States and localities under*

1 *this subsection shall be treated as allotments made under sub-*
 2 *section (b) in applying the provisions of this Act.*

3 (4) *The Secretary shall make no more than—*

4 (A) *2 grants to a State, and*

5 (B) *8 grants to localities,*

6 *pursuant to the provisions of this subsection for each*
 7 *\$10,000,000 appropriated.*

8 LOCALITY AND WITHIN STATE ALLOCATION

9 SEC. 7. (a) *FEDERAL ALLOCATION TO LOCAL-*
 10 *ITIES.—From amounts that would be allotted to a State*
 11 *under section 6 but will not be so allotted because the State*
 12 *elects not to participate in programs assisted under this Act,*
 13 *the Secretary shall allocate amounts to localities in accord-*
 14 *ance with this section. The grant which a locality is eligible*
 15 *to receive under section 5(b) is equal to the amount to which*
 16 *the locality is entitled under subsection (c) of this section.*

17 (b) *WITHIN STATE RESERVATION AND ALLOCA-*
 18 *TION.—(1) The Governor shall, from the allotment of the*
 19 *State under section 6, reserve 25 percent in each fiscal year*
 20 *for the activities described in paragraph (2).*

21 (2) *From the amount reserved in each fiscal year pursu-*
 22 *ant to paragraph (1)—*

23 (A) *not to exceed 5 percent may be used for ad-*
 24 *ministrative costs, of which at least 20 percent shall be*
 25 *allotted to the State Advisory Task Force;*

1 (B) at least 5 percent shall be used for grants to
2 localities in nonmetropolitan areas, and to localities for
3 the purpose of serving migrant and Native American
4 children or if no such localities apply for funds, funds
5 under this subparagraph may be used for purposes
6 stated in subparagraph (C) of this paragraph;

7 (C) at least 10 percent shall be used for discre-
8 tionary grants to localities for purposes set forth in this
9 Act; and

10 (D) at least 5 percent shall be used to develop and
11 implement statewide training programs, and to provide
12 technical assistance to localities for training.

13 (3) The Governor shall, from the allotment of the State
14 in each fiscal year, allocate the remaining 75 percent to local-
15 ities that have applications approved under section 9 of this
16 Act, on the basis of the criteria listed in subsection (c) of this
17 section.

18 (c) ALLOCATION RULES.—(1) From amounts available
19 under section 7(b)(3), the Governor shall allocate—

20 (A) Sixty-seven percent of funds to localities on
21 the basis of the number of children in the locality
22 under age 5 in families below the poverty line, divided
23 by the number of all children under age 5 in families
24 below the poverty line, in the State.

1 (B) Sixteen and one-half percent of funds to lo-
2 calities on the basis of the number of children under
3 age 5 in the locality, divided by the number of all chil-
4 dren under age 5 in the State.

5 (C) Sixteen and one-half percent of funds to lo-
6 calities on the basis of the quality of the locality's ap-
7 plication and plan, as judged by the State Advisory
8 Task Force, in the areas of—

9 (i) the success of collaboration and coordina-
10 tion among local policy group members and serv-
11 ice providers;

12 (ii) the quality of the needs and resources as-
13 sessment required in section 12(c)(2) of this Act;
14 and

15 (iii) the plan of the locality for ongoing co-
16 ordination of services over and above those serv-
17 ices necessary to meet minimum standards re-
18 quired for submission of an application pursuant
19 to this Act.

20 The amount of a locality's allocation under this sub-
21 paragraph shall vary with the degree of success on the
22 various criteria described, except that, no locality shall
23 receive more under this subparagraph than 150 percent
24 of what it would receive if these funds were distributed

1 *on the basis of subparagraphs (A) and (B) of this*
2 *paragraph.*

3 *(2) For purposes of this subsection, the number of chil-*
4 *dren shall be determined by the Bureau of the Census in*
5 *compiling the most recent decennial census.*

6 *(3)(A) Funds which remain available after allocation to*
7 *localities under paragraph (1)(C) shall be reallocated to lo-*
8 *calities which receive funds under such subparagraph, subject*
9 *to the maximum therein.*

10 *(B) Funds which remain after reallocation under sub-*
11 *paragraph (A) of this paragraph shall be reallocated to local-*
12 *ities under subparagraphs (A) and (B) of paragraph (1) of*
13 *this subsection.*

14 *(5) Where localities submitting applications claim over-*
15 *lapping boundaries, the State, or in the case of localities in*
16 *nonparticipating States, the Secretary, shall determine*
17 *which locality will have jurisdiction over the overlapping*
18 *area.*

19 *(6) Each locality receiving funds under this subsection*
20 *may allocate up to 5 percent of such funds for administrative*
21 *costs, provided that the local policy group receives at least 60*
22 *percent of such allocation.*

23 *(7) A locality shall be ineligible to receive an allocation*
24 *under paragraph (1) and (3) in a fiscal year if the aggregate*

1 amount of Federal and State funds that would be received by
2 such locality under this Act is less than \$25,000.

3 (d) SPECIAL RULE.—(1) In each State receiving an
4 allotment pursuant to the provisions of section 6(d), the Gov-
5 ernor shall reserve 10 percent of such allotment in each fiscal
6 year for the activities described in paragraph (2).

7 (2) From the amount reserved pursuant to para-
8 graph (1) in each fiscal year—

9 (A) not more than 5 percent may be used for ad-
10 ministrative costs, of which at least 20 percent shall be
11 allotted to the State Advisory Task Force;

12 (B) at least 5 percent shall be used to develop and
13 implement statewide training programs, and to provide
14 technical assistance to localities for training.

15 (3) The Governor shall, from the allotment of the State
16 pursuant to section 6(d) in each fiscal year, allocate the re-
17 maining 90 percent to localities that have applications ap-
18 proved under section 9 of this Act, on the basis of—

19 (A) the number of children in the locality under
20 age 5 in families below the poverty line, including
21 those who are from migrant and Native American
22 families;

23 (B) the number of children in the locality under
24 age 5 in families below the poverty line, divided by the
25 number of all children under age 5 in the locality; and

1 *listed in subparagraphs (A) through (E) of the preceding sen-*
 2 *tence, except in the case of a category in which no agency or*
 3 *entity elects to participate, or in which no such agency or*
 4 *entity exists within the State.*

5 (3) *In addition to those agencies and entities listed in*
 6 *paragraph (2), the Governor may select additional represent-*
 7 *atives of the Task Force from among—*

8 (A) *resource and referral agencies within the*
 9 *State; and*

10 (B) *the State Board of Education;*

11 (C) *the State health agency;*

12 (D) *the State labor or employment agency;*

13 (E) *the State housing agency;*

14 (F) *organizations representing local governments;*

15 (G) *organizations representing service providers;*

16 (H) *local educational agencies and school boards;*

17 (I) *each house of the State legislature;*

18 (J) *organizations representing teachers;*

19 (K) *organizations representing business; and*

20 (L) *organizations representing labor.*

21 (4) *To the extent practicable, the Task Force shall be*
 22 *balanced according to the race, ethnicity, and gender of its*
 23 *members.*

24 (c) *FUNCTIONS OF THE TASK FORCE.—The State Ad-*
 25 *visory Task Force shall—*

1 (1) *recommend to the Governor a Lead State*
2 *Agency to administer programs to be assisted under*
3 *this Act in the State based on that agency's experience*
4 *in the administration of early childhood development*
5 *programs, and recommend the assignment of financial*
6 *responsibility to the appropriate State agencies;*

7 (2) *advise and assist the Lead State Agency des-*
8 *ignated by the Governor in the performance of its re-*
9 *sponsibilities set out in section 10 of this Act by con-*
10 *ducting a needs and resources assessment—*

11 (A) *to determine where early childhood devel-*
12 *opment programs are lacking or are inadequate*
13 *within the State, with particular attention to poor*
14 *urban and rural areas, and what special services*
15 *are needed within the State, such as services for*
16 *children whose native language is other than*
17 *English;*

18 (B) *to identify all existing State-funded,*
19 *and, to the extent practical, other programs serv-*
20 *ing prekindergarten children (other than profit-*
21 *making or sectarian) in the State, and to specify*
22 *which programs might be expanded or upgraded*
23 *with the use of funds provided by section 15 of*
24 *this Act to meet criteria required in section 16 of*
25 *this Act; and*

1 (C) where appropriate, to identify other
2 sources of fiscal and other support services for
3 early childhood development programs;

4 (3) develop and submit the State application and
5 the State plan required in section 11 of this Act;

6 (4) identify and review State policies, regulations,
7 and laws that may restrict the use of facilities for the
8 delivery of early childhood development services in
9 school buildings or community agencies;

10 (5) evaluate and approve applications submitted
11 by localities, as provided under sections 7 and 13 of
12 this Act;

13 (6) prepare and submit an annual report to the
14 Governor and the Secretary on the status of early
15 childhood development programs operating within the
16 State in accordance with subsection (d);

17 (7) conduct evaluations of programs as required
18 in section 18; and

19 (8) arrange joint planning for provision of serv-
20 ices under this Act with the provision of services re-
21 quired or authorized under other Federal laws.

22 (d) ANNUAL REPORT CONTENTS.—The report required
23 by subsection (c)(6) shall include such information as the
24 Secretary may reasonably require.

1 *development programs, and to transfer funds so received, and*
 2 *to act as a grantee, contractor, or sponsor of programs*
 3 *authorized under this Act.*

4 (2) *The Governor shall assign financial responsi-*
 5 *bility for services provided to the appropriate State*
 6 *agencies.*

7 (b) *FUNCTIONS.—The Lead State Agency shall, with*
 8 *the assistance of the State Advisory Task Force, be responsi-*
 9 *ble for carrying out—*

10 (1) *the general administration, supervision, and*
 11 *monitoring of programs and activities receiving assist-*
 12 *ance under section 7 of this Act to ensure compliance*
 13 *with this Act;*

14 (2) *contracting with other State and local service*
 15 *providers as necessary;*

16 (3) *the resolution of intra- and interagency dis-*
 17 *putes; and*

18 (4) *the provision of, directly, or by way of grant*
 19 *or contract or other arrangements, technical assistance*
 20 *to localities in developing, conducting, and administer-*
 21 *ing programs under this Act.*

22 **STATE APPLICATION AND STATE PLAN**

23 **SEC. 11. (a) STATE APPLICATION.—***Any State desir-*
 24 *ing to receive a grant under this Act for any fiscal year shall*
 25 *submit an application, developed by the State Advisory Task*
 26 *Force, as required in section 9 of this Act, to the Secretary,*

1 *at such time and in such manner as the Secretary may rea-*
 2 *sonably require. Each such application shall contain—*

3 (1) *a description and list of members of the State*
 4 *Advisory Task Force established or designated by the*
 5 *Governor as required in section 9 of this Act;*

6 (2) *the designation of a Lead State Agency that*
 7 *will be responsible for the administration of funds pro-*
 8 *vided under section 6 of this Act, as required by sec-*
 9 *tion 10 of this Act;*

10 (3) *a State plan as required by subsections (b)*
 11 *and (c) of this section; and*

12 (4) *such other information and assurances as the*
 13 *Secretary may reasonably require.*

14 (b) *STATE PLAN.—Any State desiring to receive a*
 15 *grant under this Act shall file with the Secretary a State*
 16 *Plan, developed by the State Advisory Task Force. The Plan*
 17 *shall be submitted to the Secretary at such time and in such*
 18 *manner as the Secretary may reasonably require.*

19 (c) *CONTENTS OF PLAN.—Such plan shall—*

20 (1) *describe the results of the needs and resources*
 21 *assessment, carried out by the State Advisory Task*
 22 *Force, as provided in section 9 of this Act;*

23 (2) *describe how the State will upgrade where*
 24 *necessary, expand, and coordinate with existing Head*
 25 *Start programs;*

1 (3) describe how the State will employ multiple
2 service providers;

3 (4) describe how the State will ensure compliance
4 with minimum standards required in section 16;

5 (5) describe how the State will ensure compliance
6 with the uses of funds set forth in section 15(c) and (d)
7 of this Act;

8 (6) describe how the State will meet the require-
9 ment of the non-Federal share required in section 20 of
10 this Act;

11 (7) describe the certification procedures and train-
12 ing required by the State;

13 (8) assure that funds paid to the State under this
14 Act will be expended in accordance with this Act;

15 (9) provide for (A) making such reports in such
16 form and containing such information as the Secretary
17 may require to carry out the Secretary's functions
18 under this Act, and (B) keeping such records and af-
19 fording such access thereto as the Secretary may find
20 necessary to assure the correctness and verification of
21 such reports and proper disbursement of Federal funds
22 under this Act;

23 (10) provide satisfactory assurance that Federal
24 funds made available under this Act, and the non-Fed-
25 eral funds which are required to be paid as part of the

1 (2)(A) *The chief elected official of the locality shall*
2 *select the membership of the Local Policy Group. The Local*
3 *Policy Group shall be selected from among—*

4 (i) *the local Head Start agency;*

5 (ii) *the local board of education;*

6 (iii) *the local superintendent of schools;*

7 (iv) *the local social services agency (or, if applica-*
8 *ble, local child development or child advocacy agency);*

9 *and*

10 (v) *early childhood teachers.*

11 *The Local Policy Group shall include one representative*
12 *from each agency or entity listed in clauses (i) through (v) of*
13 *the preceding sentence, except where the agency or entity*
14 *elects not to participate, or does not exist within the locality.*

15 (B) *In addition to the entities listed in subparagraph*
16 (A) *of this paragraph, three parents of prekindergarten or*
17 *elementary school-aged children shall be included in the*
18 *membership of the local policy group. Two of such parents*
19 *shall be parents whose child is receiving or has received Head*
20 *Start services.*

21 (C) *Where a locality includes a consortium of more*
22 *than one locality, as provided in section 3(4), the chief elected*
23 *officials may select two representatives from each agency or*
24 *entity listed in clauses (i) through (v) of subparagraph (A),*

1 *and six parents as described in subparagraph (B) of this*
 2 *section.*

3 (3) *To the extent practicable, the Local Policy Group*
 4 *shall be balanced according to the race, ethnicity, and gender*
 5 *of its members.*

6 (4) *The Local Policy Group may consult with members*
 7 *of the community with expertise or an interest in child devel-*
 8 *opment programs, including—*

9 (A) *local resource and referral agencies,*

10 (B) *organizations representing labor,*

11 (C) *employers,*

12 (D) *local public health and nutrition agencies,*

13 (E) *child development experts, and*

14 (F) *organizations representing child care pro-*
 15 *viders*

16 *to assist in the development and implementation of early*
 17 *childhood development programs.*

18 (c) *FUNCTIONS.—The Local Policy Group shall—*

19 (1) *develop a collaborative voluntary application*
 20 *to the State from the participating agencies;*

21 (2) *develop a needs and resources assessment,*
 22 *every 3 years, for the geographic area included within*
 23 *the locality, stating—*

24 (A) *where services are most needed based on*
 25 *numbers of prekindergarten children with particu-*

1 *lar attention to such children from families who*
2 *have low income;*

3 *(B) the existence of early childhood develop-*
4 *ment programs and the degree to which they meet*
5 *the demand for such services in the locality;*

6 *(C) the existence of programs serving prekin-*
7 *dergarten children which can be expanded or up-*
8 *graded to meet the requirements of this Act;*

9 *(D) the need for bilingual programs and*
10 *services for children whose native language is not*
11 *English, and programs and services for handi-*
12 *capped, migrant, Indian, and homeless children;*
13 *and*

14 *(E) a description of early childhood develop-*
15 *ment training programs in the locality funded by*
16 *this Act, and the need for additional training pro-*
17 *grams in the locality;*

18 *(3) demonstrate how the locality will work to*
19 *employ multiple service providers;*

20 *(4) identify and review local laws, regulations, or*
21 *policies that may restrict the use of facilities for the de-*
22 *livery of early childhood development programs in*
23 *school buildings or community agencies;*

1 (5) identify salary scales for staff of existing pro-
2 viders of early childhood development services and
3 child care services;

4 (6) identify job training, literacy, and adult edu-
5 cation programs that can be coordinated with family
6 support services offered by child development programs;
7 and

8 (7) prepare and submit an annual report as re-
9 quired in subsection (e) of this section to the State Ad-
10 visory Task Force on the status of early childhood de-
11 velopment programs within the locality; and

12 (8) arrange for evaluations required in section 18.

13 (d) *LIMITATION ON FUNCTIONS OF LOCAL POLICY*
14 *GROUP.*—The Local Policy Group shall not supercede the
15 internal operations or administrative practices of agencies or
16 entities operating existing early childhood development pro-
17 grams, beyond evaluations required by section 18, except to
18 institute minimum standards required by section 16 or to
19 enforce the uses of funds set forth in sections 14 and 15.

20 (e) *CONTENTS OF REPORT.*—Each report required by
21 subsection (c)(7) shall include—

22 (1) the number and socioeconomic background of
23 children being served with funds provided under this
24 Act, listed by age if available;

1 (2) *the number of children whose parents have re-*
2 *quested services but who are not being served;*

3 (3) *a description of the uses for which funds were*
4 *expended in accordance with section 15 of this Act;*

5 (4) *a description of programs expanded, upgraded,*
6 *or created under this Act;*

7 (5) *a description of salary scales used in pro-*
8 *grams receiving funds under this Act;*

9 (6) *a description of how programs receiving funds*
10 *under this Act are coordinated with other existing pro-*
11 *grams of early childhood development for prekindergar-*
12 *ten children in the locality; and*

13 (7) *assurances that the programs funded under*
14 *this Act meet the requirements of sections 14, 15, and*
15 *16 of this Act.*

16 (f) *CONFLICT OF INTEREST.—A member of the Local*
17 *Policy Group shall not cast a vote on any matter which*
18 *would provide direct personal financial benefit to that*
19 *member or otherwise give an appearance of a conflict of inter-*
20 *est under State or local law.*

21 (g) *USE OF EXISTING LOCAL POLICY GROUP.—To*
22 *the extent that a locality has established a broadly represent-*
23 *ative Local Policy Group before enactment of this legislation*
24 *that is comparable to the Local Policy Group described in*

1 *this section, such locality shall be considered to be in compli-*
 2 *ance with subsections (a) and (b) of this section.*

3 *LOCAL PLAN AND APPLICATION*

4 *SEC. 13. (a) APPLICATION REQUIRED.—Any locality*
 5 *desiring to receive a grant from the State to carry out serv-*
 6 *ices assisted under this Act shall—*

7 *(1) form or designate a Local Policy Group, in*
 8 *accordance with section 12 of this Act; and*

9 *(2) submit to the State an application prepared*
 10 *by the Local Policy Group.*

11 *Such application may be for up to 3 years, subject to annual*
 12 *review, and is renewable.*

13 *(b) CONTENTS OF APPLICATION.—Each application*
 14 *prepared pursuant to subsection (a) shall contain—*

15 *(1) a service delivery plan from all participating*
 16 *service providers, that includes—*

17 *(A) a description of what geographic area is*
 18 *covered by such application, including a listing of*
 19 *any city, county, township, other general purpose*
 20 *unit of government, or Indian reservation located*
 21 *therein;*

22 *(B) the name and location of all planned*
 23 *sites and a description of services which will be*
 24 *provided at each site under such plan;*

1 (C) a description of how the locality will
2 employ multiple service providers, such as Head
3 Start and Local Educational Agencies, except as
4 provided in section 16(b)(1);

5 (D) a plan for ongoing coordination of early
6 childhood development services at each site be-
7 tween (i) Head Start providers and local educa-
8 tional agencies, whether or not such providers or
9 agencies are receiving funds under this Act, and
10 (ii) between entities in clause (i) and any other
11 recipients of funds under this Act;

12 (E) a description of how priority for the use
13 of funds made available under this Act is being
14 given to the expansion and upgrading of existing
15 programs, as required by section 15(c) of this Act;

16 (F) the number of children receiving services
17 free of charge, the number of children receiving
18 services for payment of fees, the level of such fees
19 paid at each site, and the distribution of such
20 children among service providers;

21 (G) the results of the local needs and re-
22 sources assessment conducted by the Local Policy
23 Group, as provided in section 12(c)(2) of this Act,
24 a description of what needs for services have been
25 identified by such assessment, and a description

1 of how the plan for coordination of services ad-
2 dress the indicated needs;

3 (H) a description of certification and other
4 qualifications of staff, a plan for training of pro-
5 fessional staff and employees, the turnover or
6 mobility rate of professional staff and employees,
7 if available, and a description of salary schedules,
8 and how such schedules reflect level of training,
9 expertise, and experience of employees;

10 (I) a description of how the locality will pro-
11 vide the non-Federal share required under section
12 20 of this Act if any portion thereof is not paid
13 by the State;

14 (J) a description of how the locality will
15 ensure compliance with the uses of funds set forth
16 in section 15 of this Act;

17 (K) assurances that Federal minimum
18 standards in section 16 of this Act will be adhered
19 to;

20 (L) a plan for evaluations required in section
21 18; and

22 (M) such additional assurances or informa-
23 tion as the Secretary may reasonably require; and

1 (2) *evidence demonstrating effective use of exist-*
2 *ing Federal and State funds received by the locality*
3 *for services for prekindergarten children.*

4 (c) *LOCAL ADMINISTERING AGENCY.—(1) In each*
5 *locality the chief elected official (or officials, in the case of*
6 *consortium of more than one locality) shall select a local ad-*
7 *ministering agency for the locality from the local education*
8 *agencies, local social services agencies, and the local child*
9 *development agencies within the locality.*

10 (2) *The selection of the local administering agency shall*
11 *be based on the experience of such agency in administering*
12 *early childhood development programs. To be eligible to be*
13 *designated a local administering agency, such agency shall*
14 *have the authority under its charter or applicable law to re-*
15 *ceive, redistribute, and monitor grants to provide early child-*
16 *hood development services under this Act.*

17 (3) *The local administering agency of each locality shall*
18 *be designated as the coordinator of all programs assisted*
19 *under this Act for the locality for the purpose of administra-*
20 *tion and fiscal control.*

21 (4) *Each local administering agency shall work with*
22 *existing local resource and referral agencies.*

23 (5) *Each administering agency shall follow the plan de-*
24 *veloped by the Local Policy Group for the provision of serv-*
25 *ices assisted by this Act.*

1 (d) *SUBMISSION OF LOCAL APPLICATION.*—(1) *Any*
 2 *locality desiring to receive financial assistance under this*
 3 *Act, that is located in a State receiving funds under this Act,*
 4 *shall submit an application to the State Advisory Task Force*
 5 *for the State in which such locality is located.*

6 (2) *Any locality desiring to receive financial assistance*
 7 *under this Act, that is located in a State that has chosen not*
 8 *to receive funds under this Act, shall—*

9 (A) *submit an application to the Secretary for a*
 10 *grant at such time and in such manner as the Secre-*
 11 *tary may reasonably require; and*

12 (B) *comply with the requirements under section*
 13 *12 and subsections (a) and (b) of section 13 of this*
 14 *Act.*

15 *The service delivery plan required by section 13(b) shall also*
 16 *include the information required under sections 11(b) and*
 17 *11(c) to the extent the information required therein pertains*
 18 *to the area to be served by the locality.*

19 *ELIGIBLE CHILDREN AND FAMILIES*

20 *SEC. 14. (a) AGE REQUIREMENT.*—*Any child is eligi-*
 21 *ble to participate in programs assisted under this Act in the*
 22 *school year 2 years prior to the school year in which the child*
 23 *would be eligible, under State law, to enter first grade. Any*
 24 *State or locality which has served all children of the eligible*
 25 *age group requesting services may use funds under this Act*

1 to serve children in the school year 3 years prior to the school
2 year in which they would be eligible, under State law, to
3 enter first grade. A State or locality may use funds under
4 this Act to upgrade and expand existing programs serving
5 children aged 3 years through 5 years, provided the supple-
6 mentation of funding requirements of section 20 are met.

7 (b) FAMILY CONTRIBUTION.—(1) Eligible children in
8 families with annual incomes under 115 percent of the pover-
9 ty line are eligible to receive services provided under this Act
10 without charge.

11 (2)(A) Eligible children in families with annual in-
12 comes at or above 115 percent of the poverty line are eligible
13 to receive services provided by this Act with payment of fees
14 on a sliding scale up to the full cost of such service except
15 that, pursuant to part B of the Education of the Handi-
16 capped Act, services included in a handicapped child's indi-
17 vidualized education program shall be furnished to such child
18 without charge. The sliding scale shall be developed by the
19 State, or locality if the State is not participating, based on
20 income level, family size, and relative cost of living. Such
21 sliding scale shall ensure that families that can afford to pay
22 the full cost of services do pay such cost. The maximum fee
23 per child shall not exceed the cost per child of the services
24 provided. Total fees for all eligible children in a family re-

1 ceiving services under this Act shall not exceed 10 percent of
2 a family's gross income.

3 (B) Nothing in subparagraph (A) shall be construed to
4 prevent any State or locality from paying part or all of the
5 cost of fees paid by families under subparagraph (A) with
6 non-Federal funds.

7 USE OF FUNDS

8 SEC. 15. (a) IN GENERAL.—Localities may use funds
9 furnished under this Act—

10 (1) to expand or upgrade, through grant or con-
11 tract, existing public or nonsectarian nonprofit pro-
12 grams for prekindergarten children to operate them
13 during the full day and full calendar year and in com-
14 pliance with the requirements of section 16 of this Act,
15 or

16 (2) to create, through grant or contract to public
17 or nonsectarian nonprofit entities, full day, full calen-
18 dar year early childhood development programs that
19 comply with the provisions of this Act.

20 (b) AUTHORIZED ACTIVITIES.—Grants under this Act
21 may be used for—

22 (1) development of and training in the use of de-
23 velopmentally appropriate early childhood curricula,
24 including curricula that take into account the commu-
25 nication skills of children, including those whose native
26 language is not English, and which are culturally sen-

1 *sitive and avoid race-based and gender-based stereo-*
2 *typing;*

3 (2) *provide directly, or by grant or contract, serv-*
4 *ices to enable an early childhood development program*
5 *to operate during the full day, and full calendar year;*

6 (3) *health screening and diagnosis of children;*

7 (4) *provision of health, mental health, and social*
8 *services to children described in section 14(b)(1);*

9 (5) *nutrition services and nutrition education;*

10 (6) *parent outreach and involvement, including*
11 *family home visits;*

12 (7) *family support and parenting education;*

13 (8) *referral and assistance in procuring education,*
14 *nutrition, health, mental health, and other social serv-*
15 *ices for families of children receiving early childhood*
16 *development services;*

17 (9) *prenatal health and education services for par-*
18 *ents of children receiving early childhood development*
19 *services;*

20 (10) *distribution of information about available*
21 *services, establishing connections to resource and refer-*
22 *ral agencies, and locality outreach;*

23 (11) *staff and personnel training in early child-*
24 *hood development including training conducted in con-*
25 *junction with other service providers with particular at-*

1 *tention to avoidance of race-based and gender-based*
2 *stereotyping;*

3 *(12) upgrading the salaries of early childhood de-*
4 *velopment professional staff, and the development of*
5 *salary schedules for staff with varying levels of experi-*
6 *ence, expertise, and training;*

7 *(13) activities designed to ensure that groups of*
8 *children participating in early childhood development*
9 *programs are mixed according to gender, race, ethnic-*
10 *ity, handicapping condition, and socioeconomic status;*

11 *(14) acquisition or development of materials and*
12 *equipment;*

13 *(15) rental of space for provision of services, and*
14 *minor building renovation or remodeling of schools,*
15 *community-based agencies or business facilities to ac-*
16 *commodate programs for young children;*

17 *(16) transportation of children;*

18 *(17) recruiting or subsidizing senior citizens to*
19 *work with children; and*

20 *(18) evaluation of services.*

21 *(c) PRIORITY.—Where early childhood development*
22 *programs serving eligible children exist within localities re-*
23 *ceiving funds under this Act, priority for the use of such*
24 *funds shall be given to expanding such programs to serve*
25 *more children and upgrading such programs to meet mini-*

1 (3) *Services shall be available for the full day*
2 *and full calendar year, although families shall be given*
3 *the option of enrolling their children part time.*

4 (4)(A) *At least one staff member supervising each*
5 *group of children shall have training and experience in*
6 *early childhood education or child development. The*
7 *staff member shall be certified in early childhood edu-*
8 *cation or child development, if the State has a certifi-*
9 *cation procedure in these areas, or, if the State does*
10 *not have a certification procedure, the staff member*
11 *shall have a nationally recognized child development*
12 *credential or postsecondary education with significant*
13 *coursework in early childhood development.*

14 (B) *Additional staff members who do not have the*
15 *qualifications described in subparagraph (A) shall re-*
16 *ceive a minimum of 40 hours of preservice training.*

17 (C) *All staff members shall receive 24 hours a*
18 *year of inservice training during the duration of their*
19 *employment; and where practical, an on-site curricu-*
20 *lum specialist with training and experience in early*
21 *childhood development shall be responsible for training*
22 *all staff to apply the curricula selected by the program.*

23 (5) *Service deliverers shall use developmentally*
24 *appropriate curricula that are appropriate for the*
25 *child's age and all areas of the individual child's devel-*

1 *opment including educational, cognitive, physical, emo-*
2 *tional, social and communication skills of children, in-*
3 *cluding skills of children whose native language is*
4 *other than English. Standardized tests shall not be*
5 *used to determine assignment to a group or admission*
6 *to a program.*

7 *(6) Service providers shall provide adequate and*
8 *nutritious meals and snacks, including breakfast at*
9 *parent request.*

10 *(7) Service providers shall provide health screen-*
11 *ing, mental health screening, and screening for handi-*
12 *capping conditions and shall ensure that appropriate*
13 *follow-up services are provided. Service providers shall*
14 *make referral to health services, mental health services,*
15 *and social services for which the enrolled child and*
16 *such child's family are eligible at the Federal, State,*
17 *and local levels, and shall ensure that such services are*
18 *provided to families that request such services. Service*
19 *providers shall, as necessary, arrange for the provision*
20 *of services of mental health professionals, health profes-*
21 *sionals, and social services professionals to coordinate*
22 *health services, mental health services, and social*
23 *services.*

24 *(8) Service providers shall provide parenting edu-*
25 *cation and family support services.*

1 (9) *Service providers shall coordinate with the*
2 *local public school system to facilitate sharing of re-*
3 *sources and expertise where practical, including diag-*
4 *nostic and remedial services and staff training, and to*
5 *provide for the enrolled child's transition to elementary*
6 *school. Local educational agencies shall make arrange-*
7 *ments for a representative of such agency to facilitate*
8 *such coordination.*

9 (10) *Service providers shall coordinate early*
10 *childhood development programs funded under this Act*
11 *with programs serving infants and toddlers, in order to*
12 *provide continuity of care.*

13 (11) *Service providers shall ensure active parental*
14 *involvement, which—*

15 (A) *involves parental outreach;*

16 (B) *ensures parents unlimited access to ob-*
17 *serve the program in which their children are en-*
18 *rolled;*

19 (C) *involves parents in the program cur-*
20 *ricula;*

21 (D) *provides access to all evaluations of the*
22 *program to parents;*

23 (E) *arranges regular opportunities for par-*
24 *ents to meet with professional staff including indi-*
25 *viduals such as child development specialists;*

1 (F) permits parents (other than full-time
2 staff) the opportunity to volunteer their services
3 within the classroom setting; and

4 (G) ensures parents a role in policymaking.
5 Participation by parents within the classroom shall not
6 be considered for the purpose of satisfying any of the
7 requirements imposed by this section regarding staff.

8 (12) Service providers shall ensure the physical
9 safety of children served and comply with—

10 (A) any applicable State and local law or
11 policy for licensing, health, environmental, sanita-
12 tion, building, and fire safety; and

13 (B) Federal and State child care standards
14 applicable to programs for children of the age
15 group served.

16 (b) LOCALITIES.—A locality serving children with
17 funds under this Act shall meet the following minimum
18 standards or use funds to bring programs in compliance with
19 the following minimum standards:

20 (1) A locality shall employ multiple service pro-
21 viders to ensure that one agency or organization does
22 not become the sole provider of early childhood develop-
23 ment services funded under this Act, unless such local-
24 ity certifies to the State (or in the case of a locality
25 applying directly to the Secretary, certifies to the Sec-

1 retary), as part of the application required by section
 2 13, that there exists only one service provider in the
 3 locality. Furthermore, localities shall give high priority
 4 to the expansion and upgrading of existing programs
 5 with funds provided under this Act.

6 (2) A locality shall ensure that no child receiving
 7 services in programs assisted by this Act shall be
 8 denied continued services as a result of changes in
 9 family income.

10 (c) *HEAD START AGENCY.*—Each Head Start agency
 11 receiving funds under this Act shall be deemed in compliance
 12 with minimum standards set forth in paragraphs (5), (6),
 13 (7), and (11), of subsection (a) of this section, if it is in
 14 compliance with the Head Start Performance Objectives.

15 *FEDERAL ADMINISTRATIVE PROVISIONS*

16 *SEC. 17. (a) ROLE OF SECRETARY.*—Consistent with
 17 the provisions of this Act, the Secretary of Education and the
 18 Secretary of Health and Human Services shall jointly devel-
 19 op and issue policy regulations for carrying out the provi-
 20 sions of this Act. Subject to the previous sentence, the Secre-
 21 tary has the responsibility to carry out the provisions of this
 22 Act. The Secretary shall use the expertise of early education
 23 experts at the Department of Education, particularly regard-
 24 ing developmentally appropriate curriculum, and early child-
 25 hood experts in the Department of Health and Human Serv-
 26 ices, particularly regarding health and social services.

1 **(b) WITHHOLDING OF PAYMENTS.**—(1) *Whenever the*
2 *Secretary, after reasonable notice to the Lead State Agency*
3 *(or, in the case of a grant provided under section 5(b) of this*
4 *Act, to the locality) and an opportunity for a hearing, finds*
5 *that there has been a failure to comply substantially with any*
6 *assurances required to be given or conditions required to be*
7 *met under this Act, the Secretary shall notify such agency*
8 *(or locality) of the findings and that beginning 60 days after*
9 *the date of such notification, further payments will not be*
10 *made to the State (or locality) under this Act (or, in the*
11 *Secretary's discretion, that the Lead State Agency shall*
12 *reduce or terminate further payments under this Act to any*
13 *locality or service provider) until the Secretary is satisfied*
14 *that there is no longer any such failure to comply. Until the*
15 *Secretary is so satisfied—*

16 *(A) payments to the State (or locality) under this*
17 *Act shall be reduced or terminated, or*

18 *(B) payments by the Lead State Agency under*
19 *this Act shall be limited to localities and service pro-*
20 *viders not affected by the failure.*

21 *A transcript or recording shall be made of any hearing con-*
22 *ducted under this section and shall be available for inspection*
23 *by any person.*

24 (2) *Upon submission to a State (or locality) of a notice*
25 *under paragraph (1) of this subsection that the Secretary is*

1 *withholding payments, the State (or locality) shall take such*
2 *action as may be necessary to bring its actions into compli-*
3 *ance with the provisions of this Act.*

4 (c) *JUDICIAL REVIEW.—(1) If any State (or locality)*
5 *is dissatisfied with the Secretary's action under subsection*
6 *(a) of this section, such State (or locality) may, within 60*
7 *days after notice of such action, file with the United States*
8 *Court of Appeals for the circuit in which such State (or local-*
9 *ity) is located a petition for review of that action. A copy of*
10 *the petition shall be transmitted by the clerk of the court to*
11 *the Secretary. The filing of such petition shall act to suspend*
12 *any withholding of funds by the Secretary pending the judg-*
13 *ment of the court and prior to a final action on any review of*
14 *such judgment. The Secretary thereupon shall file in the*
15 *court the record of the proceedings on which he or she based*
16 *the action which is the subject of the appeal.*

17 (2) *A Lead State Agency (or locality) shall be presumed*
18 *to have complied with this Act, but the findings of fact by the*
19 *Secretary, if supported by the weight of the evidence, may*
20 *overcome such presumption. The court may remand the case*
21 *to the Secretary to take further evidence, and the Secretary*
22 *may thereupon make new or modified findings of fact and*
23 *may modify his or her previous action, and shall file in the*
24 *court the record of the further proceedings.*

1 *who are not directly involved in the administration of the*
2 *program. The results of such evaluations shall be made avail-*
3 *able to the service providers, parents of eligible children, in-*
4 *terested members of the locality, and the State Advisory Task*
5 *Force.*

6 (b) *STATE EVALUATION.*—*The Lead State Agency*
7 *shall arrange for periodic on-site monitoring and inspection*
8 *of programs assisted under this Act for compliance with the*
9 *minimum standards set forth in section 16. The State Advi-*
10 *sory Task Force shall evaluate programs assisted under this*
11 *Act for success in achieving stated goals of the program and*
12 *for impact on related programs. Evaluations shall be con-*
13 *ducted by reviewers who are not directly involved in the ad-*
14 *ministration of the program. The results of the evaluations*
15 *shall be made available to service providers, parents of eligi-*
16 *ble children, interested members of the locality, and the*
17 *Secretary.*

18 (c) *ANNUAL REPORT.*—(1) *The Secretary shall ensure*
19 *that programs are inspected and monitored for compliance*
20 *with the minimum standards set forth in section 16 of this*
21 *Act.*

22 (2) *The Secretary shall prepare and submit to appropri-*
23 *ate Committees of the Congress an annual report. The report*
24 *shall include a summary of the information contained in re-*
25 *ports submitted by States.*

1 *provides that no person with responsibilities in the operation*
 2 *thereof will discriminate with respect to any such program,*
 3 *project, or activity because of race, religion, color, national*
 4 *origin, sex, political affiliation, handicap or age.*

5 *PAYMENTS; NON-FEDERAL SHARE; SUPPLEMENTATION OF*
 6 *FUNDING*

7 *SEC. 20. (a) PAYMENTS.—(1) The Secretary shall pay*
 8 *to each State, or locality in the case of a nonparticipating*
 9 *State, having an application approved under section 11, or*
 10 *13, as the case may be, the Federal share of the cost of the*
 11 *activities described in the application.*

12 *(2) The Federal share—*

13 *(A) for the first year in which the State receives*
 14 *funds under this Act shall be 70 percent;*

15 *(B) for the second such year shall be 60 percent;*

16 *and*

17 *(C) for the third such year and each year thereaf-*
 18 *ter shall be 50 percent.*

19 *(3) The Federal share—*

20 *(A) for the first year for which a locality, located*
 21 *in a nonparticipating State, receives assistance under*
 22 *this Act shall be 80 percent;*

23 *(B) for the second such year shall be 75 percent;*

24 *and*

25 *(C) for the third such year and each succeeding*
 26 *year shall be 70 per cent.*

1 **(b) NON-FEDERAL SHARE.**—(1) *The non-Federal*
2 *share of payments under this Act may be in cash or in kind,*
3 *fairly evaluated, including plant, equipment, or services, sub-*
4 *ject to the limitations in subparagraph (2).*

5 (2) *A State receiving funds under this Act shall pay at*
6 *least 75 percent of the non-Federal share. Such payment*
7 *shall be in cash from non-Federal sources. States shall not*
8 *require localities to contribute more than 25 percent of the*
9 *non-Federal share or to contribute to the cash portion of the*
10 *non-Federal share.*

11 **(c) SUPPLEMENTATION OF FUNDING**—(1) *All Federal*
12 *funds and funds paid as a part of the non-Federal share*
13 *under this Act shall be used to supplement the level of State*
14 *and local public funds expended for services assisted under*
15 *this Act in the previous fiscal year.*

16 (2) *The supplementation requirement of this subsection*
17 *shall be satisfied with respect to a particular program if the*
18 *aggregate expenditure in such program for the fiscal year in*
19 *which services are to be provided will not be less than the*
20 *aggregate expenditure in such program in the previous year,*
21 *excluding Federal and non-Federal funds provided under*
22 *this Act.*

23 **(d) WAIVER.**—*If the Secretary determines that a*
24 *State, or in a nonparticipating State, a locality, would suffer*
25 *substantial hardship as a result of paying the non-Federal*

1 *share of payments because of the State's or locality's econom-*
2 *ic condition or substantial prior commitment of funds for*
3 *early childhood development programs, the Secretary may*
4 *waive such non-Federal share in part or in whole for such*
5 *period of time as the Secretary deems necessary.*

6 **RECORDS AND AUDITS**

7 **SEC. 21. (a) RECORDS.**—*Each recipient of financial*
8 *assistance under this Act shall keep records as the Secretary*
9 *shall prescribe, including records which fully disclose the*
10 *amount and disposition by such recipient of such financial*
11 *assistance, the total cost of the program supplied by other*
12 *sources, and such other records as will facilitate an effective*
13 *audit.*

14 **(b) AUDITS.**—*The Secretary and the Comptroller Gen-*
15 *eral of the United States, or any of their duly authorized*
16 *representatives, shall have access for the purpose of audit and*
17 *examination to any books, documents, papers, and records of*
18 *the recipients that are pertinent to the financial assistance*
19 *received under this Act.*

Calendar No. 118

101ST CONGRESS
1ST SESSION

S. 123

A BILL

To provide financial assistance to States and localities for high quality early childhood development programs for prekindergarten children, and for other purposes.

JUNE 12 (legislative day, JANUARY 3), 1989

Reported with an amendment