

107TH CONGRESS  
2D SESSION

# S. 2566

To improve early learning opportunities and promote school preparedness,  
and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 23, 2002

Mr. KENNEDY (for himself, Mr. GREGG, Mrs. MURRAY, Mr. VOINOVICH, Mr. WELLSTONE, Mr. BOND, Mr. EDWARDS, Mr. STEVENS, and Mr. DEWINE) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To improve early learning opportunities and promote school  
preparedness, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Early Care and Edu-  
5 cation Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

8 (1) Early childhood, which is the period in a  
9 child’s life from birth through age 6, is a critical

1 time for children to develop the physical, emotional,  
2 social, and cognitive skills that the children will need  
3 for the rest of their lives.

4 (2) Young children receive care in a wide vari-  
5 ety of settings. While 38 percent of those children  
6 receive care solely from their parents, the remaining  
7 62 percent receive care through a variety of full-time  
8 and part-time arrangements, including care by rel-  
9 atives, by nonrelatives (in a variety of home-based  
10 settings), and through center-based programs.

11 (3) Federal and State governments invest more  
12 than \$18,000,000,000 annually to help families  
13 (particularly low-income families) access early care  
14 and early education activities. Yet, despite this in-  
15 vestment, not all children are entering school pre-  
16 pared to learn.

17 (4) Learning is an active process that begins at  
18 birth, is dependent on the existence of strong and  
19 stable relationships, is influenced by a child's phys-  
20 ical, emotional, social, and cognitive capacities, and  
21 is shaped by a combination of biology and experi-  
22 ence.

23 (5) Before children reach age 2, measurable dif-  
24 ferentiation in their development and skills begins to

1 appear. In the absence of intervention, that differen-  
2 tiation may increase over the preschool years.

3 (6) Research shows that parental involvement  
4 and a stable and well-educated workforce are impor-  
5 tant factors in improving the quality of early care  
6 and early education programs and improving out-  
7 comes for children.

8 (7) The cognitive, social, and emotional develop-  
9 ment of young children can be enhanced through pa-  
10 rental involvement and high-quality early care and  
11 early education activities that motivate children to  
12 learn to read in order to benefit from classroom in-  
13 struction.

14 (8) Research indicates that successful academic  
15 achievement in education programs for children in  
16 kindergarten and grades 1 through 12 is linked to  
17 participation in high quality early care and early  
18 education activities.

19 **SEC. 3. PURPOSES.**

20 The purposes of this Act are—

21 (1) to encourage States to improve the quality  
22 and availability of early learning opportunities and  
23 activities for young children;

24 (2) to develop and retain a well-educated and  
25 trained early childhood workforce;

1           (3) to promote school preparedness by encour-  
2           aging children, families, and caregivers (in a variety  
3           of home-based and out-of-home settings) to engage  
4           in a variety of highly interactive, developmentally ap-  
5           propriate, and age-appropriate activities, during the  
6           first 6 years of the children’s lives, that will—

7                   (A) improve the children’s social, emo-  
8                   tional, and behavioral skills; and

9                   (B) foster their early cognitive and literacy  
10                  development; and

11           (4) to promote parental and family involvement  
12           in the education of young children.

13 **SEC. 4. DEFINITIONS.**

14           In this Act:

15           (1) INSTITUTION OF HIGHER EDUCATION.—The  
16           term “institution of higher education” has the  
17           meaning given that term in section 101(a) of the  
18           Higher Education Act of 1965 (20 U.S.C. 1001(a)).

19           (2) SECRETARIES.—The term “Secretaries”  
20           means the Secretary of Education and the Secretary  
21           of Health and Human Services, as specified in a  
22           memorandum of understanding entered into by the  
23           Secretaries.

1           (3) STATE.—The term “State” means any of  
2           the several States, the District of Columbia, and the  
3           Commonwealth of Puerto Rico.

4           (4) YOUNG CHILD.—The term “young child”  
5           means an individual under the age of compulsory  
6           school attendance in the State where the child re-  
7           sides.

8   **SEC. 5. ALLOTMENT FORMULA.**

9           (a) RESERVATIONS.—

10           (1) INDIAN TRIBES, ALASKA NATIVES, AND NA-  
11           TIVE HAWAIIANS.—

12           (A) IN GENERAL.—From the funds appro-  
13           priated under section 19 for a fiscal year, the  
14           Secretaries—

15                   (i) shall reserve 1 percent of such  
16                   funds for the Secretary of the Interior for  
17                   incentive grants and bonus grants to In-  
18                   dian tribes (other than Regional Corpora-  
19                   tions);

20                   (ii) shall reserve 0.2 percent of such  
21                   funds for incentive grants and bonus  
22                   grants to Regional Corporations; and

23                   (iii) shall reserve 0.2 percent of such  
24                   funds for incentive grants and bonus  
25                   grants to Native Hawaiian entities.

1 (B) REQUIREMENTS.—The provisions of  
2 this Act (other than subsections (b) and (c))  
3 that apply to a State shall apply to an entity  
4 receiving funds under this paragraph, in the  
5 manner and to the extent provided by the Sec-  
6 retary of the Interior, or by the Secretaries, as  
7 appropriate.

8 (C) DEFINITIONS.—In this paragraph:

9 (i) INDIAN TRIBE.—The term “Indian  
10 tribe” has the meaning given the term in  
11 section 4(e) of the Indian Self-Determina-  
12 tion and Education Assistance Act (25  
13 U.S.C. 450b(e)).

14 (ii) REGIONAL CORPORATION.—The  
15 term “Regional Corporation” has the  
16 meaning given the term in section  
17 419(4)(B) of the Social Security Act (42  
18 U.S.C. 619(4)(B)).

19 (2) ADMINISTRATION.—The Secretaries shall  
20 reserve not more than 5 percent of the funds appro-  
21 priated under section 19 for each fiscal year to carry  
22 out the administration of this Act, including section  
23 10(g)(3)(B).

24 (b) STATE ALLOTMENTS.—

1           (1) IN GENERAL.—Subject to paragraph (2),  
 2           from the funds appropriated under section 19 for  
 3           each fiscal year and remaining after the reservations  
 4           made under subsection (a), the Secretaries—

5                   (A) shall reserve 20 percent of the funds  
 6                   to make grants under section 10(a); and

7                   (B) from the balance, shall allot to each  
 8                   State an amount equal to the sum of—

9                           (i) an amount that bears the same  
 10                           ratio to 50 percent of such balance as the  
 11                           number of individuals under age 6 in the  
 12                           State bears to the number of such individ-  
 13                           uals in all States; and

14                           (ii) an amount that bears the same  
 15                           ratio to 50 percent of such balance as the  
 16                           number of children in poverty in the State  
 17                           bears to the number of such children in all  
 18                           States.

19           (2) SMALL STATE MINIMUM ALLOTMENT.—The  
 20           Secretaries shall ensure that no State shall receive  
 21           an allotment under paragraph (1)(B) for a fiscal  
 22           year that is less than  $\frac{1}{3}$  of 1 percent of the balance  
 23           described in paragraph (1)(B) for the fiscal year.

24           (c) DEFINITIONS.—In this section:

1           (1) CHILD IN POVERTY.—The term “child in  
2 poverty” means an individual under age 6 from a  
3 family with an income below the poverty line.

4           (2) POVERTY LINE.—The term “poverty line”  
5 means the income official poverty line (as defined by  
6 the Office of Management and Budget, and revised  
7 annually in accordance with section 673(2) of the  
8 Community Services Block Grant Act (42 U.S.C.  
9 9902(2))) applicable to a family of the size involved.

10 **SEC. 6. GENERAL INCENTIVE GRANTS.**

11       (a) PROGRAM.—The Secretaries shall establish and  
12 carry out an incentive grant program.

13       (b) GRANTS.—In carrying out the program, the Sec-  
14 retaries shall award grants to eligible States, to enable the  
15 States to develop or enhance high-quality systems of early  
16 care and early education programs and activities, designed  
17 to improve school preparedness, by increasing and making  
18 effective use of existing and new delivery systems and  
19 funds for early care and early education. The Secretaries  
20 shall award the grants from allotments made under sec-  
21 tion 5(b)(1)(B).

22 **SEC. 7. LEAD AGENCY AND ADVISORY COUNCIL.**

23       (a) LEAD AGENCY.—The chief executive officer of a  
24 State desiring to receive a grant under this Act shall des-  
25 ignate an agency (which may be an appropriate collabo-



1 rative agency), or establish a joint interagency office, to  
2 serve as the lead agency for the State under this Act.

3 (b) ADVISORY COUNCIL.—

4 (1) IN GENERAL.—The chief executive officer of  
5 a State desiring to receive a grant under this Act  
6 shall designate or establish a council to serve as the  
7 advisory council for the State under this Act.

8 (2) COMPOSITION.—In designating or estab-  
9 lishing the council, the chief executive officer—

10 (A) may designate an existing entity (as of  
11 the date of the designation) to serve as the  
12 council; and

13 (B) shall include in the council—

14 (i) representatives of agencies respon-  
15 sible for administering early care and early  
16 education programs in the State;

17 (ii) parents; and

18 (iii) a wide array of persons interested  
19 in and involved with early care and early  
20 education issues in the State, such as rep-  
21 resentatives of—

22 (I) the State educational agency  
23 and local educational agencies;

24 (II) the State Head Start Asso-  
25 ciation;

- 1 (III) early childhood education  
2 professionals;
- 3 (IV) kindergarten teachers and  
4 teachers in grades 1 through 4;
- 5 (V) health care professionals;
- 6 (VI) child welfare agencies;
- 7 (VII) child care resource and re-  
8 ferral agencies;
- 9 (VIII) child care providers;
- 10 (IX) State Interagency Coordi-  
11 nating Councils established under sec-  
12 tion 641 of the Individuals with Dis-  
13 abilities Education Act (20 U.S.C.  
14 1441);
- 15 (X) the State agency with re-  
16 sponsibility for the special supple-  
17 mental nutrition program for women,  
18 infants, and children established by  
19 section 17 of the Child Nutrition Act  
20 of 1966 (42 U.S.C. 1786);
- 21 (XI) institutions of higher edu-  
22 cation;
- 23 (XII) other agencies that provide  
24 resources for young children;

1 (XIII) religious and business  
2 leaders;

3 (XIV) State legislators and local  
4 officials; and

5 (XV) other relevant entities in  
6 the State.

7 (3) DUTIES.—The State advisory council shall  
8 conduct local needs assessments in order to advise  
9 and assist the lead agency and chief executive officer  
10 in the development of the State plans and applica-  
11 tion described in section 8.

12 (c) STATE PLANS AND APPLICATION.—The chief ex-  
13 ecutive officer and the lead agency shall, after consultation  
14 with the advisory council, develop the State plans and ap-  
15 plication.

16 **SEC. 8. STATE PLANS AND APPLICATION.**

17 (a) IN GENERAL.—To be eligible to receive funds  
18 under this Act, a State shall prepare and submit to the  
19 Secretaries an application, for a 2-year period, at such  
20 time, in such manner, and containing such information as  
21 the Secretaries shall require, including—

22 (1) information identifying the agency or joint  
23 interagency office that serves as the lead agency for  
24 the State;

25 (2) a State plan that—

1 (A) identifies barriers in the State to the  
2 effective use of Federal, State, and local public  
3 funds, and private funds, for early care and  
4 early education that are available to the State  
5 on the date on which the application is sub-  
6 mitted;

7 (B) specifies, for each fiscal year, how the  
8 State will use funds made available under this  
9 Act, including how the State will make effective  
10 use of such funds, and the funds described in  
11 subparagraph (A), in order to create an early  
12 childhood education system, by developing or  
13 enhancing a high-quality system of early care  
14 and early education programs and activities, de-  
15 signed to ensure that all children, including  
16 children from economically or otherwise dis-  
17 advantaged families, enter school prepared to  
18 learn; and

19 (C) provides information that describes  
20 how the State is working to measurably improve  
21 the overall school preparedness of children,  
22 while taking into consideration the age of the  
23 children and the setting in which the early care  
24 and early education programs and activities are  
25 provided;

1           (3) a description of how the State, in order to  
2           expand accessibility and continuity of quality early  
3           care and early education, will coordinate the early  
4           childhood education activities assisted under this Act  
5           with—

6                   (A) programs carried out under the Child  
7           Care and Development Block Grant Act of  
8           1990 (42 U.S.C. 9858 et seq.);

9                   (B) programs carried out under the Head  
10          Start Act (42 U.S.C. 9831 et seq.), including  
11          the Early Head Start programs carried out  
12          under section 645A of that Act (42 U.S.C.  
13          9840a);

14                  (C)(i) Early Reading First and Even Start  
15          programs carried out under subparts 2 and 3 of  
16          part B of title I of the Elementary and Sec-  
17          ondary Education Act of 1965 (20 U.S.C. 6371  
18          et seq., 6381 et seq.);

19                  (ii) other preschool programs carried out  
20          under title I of that Act (20 U.S.C. 6301 et  
21          seq.); and

22                  (iii) the Ready-to-Learn Television pro-  
23          gram carried out under subpart 3 of part D of  
24          title II of that Act (20 U.S.C. 6775 et seq.);

1 (D) programs carried out under part C of  
2 the Individuals with Disabilities Education Act  
3 (20 U.S.C. 1431 et seq.);

4 (E) State pre-kindergarten programs; and  
5 (F) other early childhood education pro-  
6 grams;

7 (4)(A) a description of performance goals to be  
8 achieved by the State through activities assisted  
9 under this Act; and

10 (B) the performance outcome measures the  
11 State will use to evaluate progress toward achieving  
12 such goals;

13 (5) a description of how the State will address  
14 children with special needs and children from eco-  
15 nomically or otherwise disadvantaged families  
16 through activities in a way that recognizes the role  
17 of parents as a child's primary and most important  
18 teachers;

19 (6) a description of the State's voluntary pro-  
20 gram guidelines for early care and early education  
21 programs, the State's general goals for school pre-  
22 paredness for children entering kindergarten (devel-  
23 oped in consultation with the local educational agen-  
24 cies in the State), and a description of suggested ac-  
25 tivities for parents and caregivers to offer young

1 children that can improve the children’s prepared-  
2 ness for school;

3 (7) a description of a State workforce develop-  
4 ment plan that—

5 (A) ensures comprehensive training for  
6 early childhood education professionals that is  
7 linked to a compensation package; and

8 (B) creates a career ladder that is ulti-  
9 mately tied to higher education;

10 (8) a description of how the State will create  
11 linkages between formal early care and early edu-  
12 cation programs, and elementary education pro-  
13 grams, to ensure a smooth transition from preschool  
14 to elementary school; and

15 (9) a description of a State plan—

16 (A) to ensure that institutions of higher  
17 education, providers of community-based train-  
18 ing that is not provided for course credit, and  
19 other qualified providers, in the State that offer  
20 programs and training for early childhood edu-  
21 cation professionals, use curricula that will pre-  
22 pare early childhood education professionals to  
23 effectively implement curricula identified as sci-  
24 entifically based and effective to prepare young  
25 children to succeed in school; and

1 (B) to promote better access to the pro-  
2 grams and training.

3 (b) UNIFIED PLAN.—The State plan described in  
4 subsection (a)(2) may be a unified plan that includes the  
5 State plan described in section 658E of the Child Care  
6 and Development Block Grant Act of 1990 (42 U.S.C.  
7 9858c).

8 **SEC. 9. USE OF FUNDS.**

9 (a) IN GENERAL.—A State that receives funds under  
10 this Act may only use the funds to—

11 (1) improve the quality of early care and early  
12 education programs and activities through training  
13 activities, education, and professional development,  
14 that relate to scientifically-based early childhood  
15 teaching strategies, to early childhood competencies,  
16 and to appropriate early childhood developmental ac-  
17 tivities, and through wage incentive programs and  
18 recruitment and retention incentives for early child-  
19 hood professionals;

20 (2)(A) conduct State and local needs assess-  
21 ments, including assessments of the needs of dis-  
22 advantaged communities, and evaluations on the ex-  
23 tent to which the State is achieving the performance  
24 goals and performance outcome measures described



1 in the State applications submitted under sections 8  
2 and 10; and

3 (B) evaluate the effectiveness of programs and  
4 services offered in the State to young children;

5 (3) provide training and technical assistance to  
6 health care providers on conducting child develop-  
7 ment analyses as part of normal routine physical ex-  
8 aminations;

9 (4) provide information to parents on age-ap-  
10 propriate developmental activities and resources that  
11 will assist in their child's overall development, in-  
12 cluding language and literacy development;

13 (5)(A) conduct a campaign to improve public  
14 awareness of early childhood development (including  
15 early literacy) and activities that can help children  
16 reach social, emotional, and cognitive milestones;

17 (B) carry out the campaign through a joint  
18 venture between the State and existing for-profit  
19 and nonprofit entities in the State (existing as of the  
20 date the campaign begins); and

21 (C) in carrying out the campaign, ensure broad  
22 access to and distribution of information in a form  
23 that is easily understood by parents, including en-  
24 suring that the information—

1 (i) is accessible through mass media, in-  
2 cluding public television; and

3 (ii) is distributed in physician's offices, of-  
4 fices of the special supplemental nutrition pro-  
5 gram for women, infants, and children estab-  
6 lished by section 17 of the Child Nutrition Act  
7 of 1966 (42 U.S.C. 1786), libraries, public and  
8 private schools, and child care centers;

9 (6) support voluntary programs (such as the  
10 Parents as Teachers, Reach Out and Read, and  
11 Home Instruction Program for Preschool Youngsters  
12 programs) that provide training, mentoring, infor-  
13 mation to parents on child development and age-ap-  
14 propriate activities (which may include parent-child  
15 learning opportunities), and other resources, that  
16 have been shown to improve a child's early literacy,  
17 school preparedness, and overall development; and

18 (7) support or improve existing (as of the date  
19 of receipt of the funds) Federal, State, or local pro-  
20 grams and projects (including quality improvement  
21 activities authorized under the Child Care and De-  
22 velopment Block Grant Act of 1990 (42 U.S.C.  
23 9858 et seq.) and activities authorized under the  
24 Early Learning Opportunities Act (20 U.S.C. 9401

1 et seq.), except section 808(b)(6) of that Act (20  
2 U.S.C. 9407(b)(6)) that—

3 (A) are consistent with the State applica-  
4 tions submitted under sections 8 and 10 as ap-  
5 proved by the Secretaries; and

6 (B) are linked to improving school pre-  
7 paredness as determined by an appropriate per-  
8 formance outcome measure described in section  
9 10(f)(2).

10 (b) LIMITATION ON ADMINISTRATIVE COSTS.—A  
11 State that receives funds under this Act for a fiscal year  
12 may use not more than 5 percent of the funds to pay for  
13 administrative costs incurred by such State to carry out  
14 the State’s functions and duties under this Act.

15 **SEC. 10. STATE IMPROVEMENT BONUS GRANTS.**

16 (a) IN GENERAL.—The Secretaries shall use the  
17 funds described in section 5(b)(1)(A) to make bonus  
18 grants to States to enable States to make, and to reward  
19 States that have demonstrated, measurable progress in  
20 achieving the performance outcome measures described in  
21 subsection (f)(2).

22 (b) DEVELOPMENT.—For each fiscal year before the  
23 year described in subsection (c), the Secretaries shall use  
24 the funds to make grants under subsection (a) to States—

1           (1) to develop and establish the performance  
2           goals and performance outcome measures described  
3           in subsection (f)(2); and

4           (2) for State improvement through activities de-  
5           scribed in section 9.

6           (c) PROGRESS ON COMPETENCIES AND RETEN-  
7           TION.—For the first fiscal year for which not less than  
8           \$500,000,000 is appropriated under section 19 and that  
9           is not earlier than the third full fiscal year after the date  
10          of enactment of this Act, the Secretaries shall use the  
11          funds to make bonus grants under subsection (a) to States  
12          that the Secretaries determine have shown measurable  
13          progress in achieving the appropriate performance out-  
14          come measures described in subsection (f)(2) as dem-  
15          onstrated by—

16           (1) improved competencies relating to the  
17           knowledge and skills of early childhood providers,  
18           compared to the previous year; and

19           (2) increased retention of competent providers  
20           described in paragraph (1), compared to the pre-  
21           vious year.

22          (d) PROGRESS ON SCHOOL PREPAREDNESS.—

23           (1) IN GENERAL.—For each fiscal year after  
24           the year described in subsection (c), the Secretaries  
25           shall use the funds to make bonus grants under sub-

1 section (a) to States that the Secretaries determine  
2 have shown measurable progress in achieving the  
3 performance outcome measures described in sub-  
4 section (f)(2)—

5 (A) as demonstrated by the improved com-  
6 petencies and increased retention described in  
7 subsection (c); and

8 (B) as demonstrated by increased school  
9 preparedness of the kindergartners in the State,  
10 compared with the previous year.

11 (2) EQUAL WEIGHT.—In determining whether  
12 States have shown the measurable progress de-  
13 scribed in paragraph (1), the Secretaries shall give  
14 equal weight to progress demonstrated as described  
15 in paragraph (1)(A) and progress demonstrated as  
16 described in paragraph (1)(B).

17 (e) AMOUNT.—In making a bonus grant to a State  
18 under subsection (a) for a fiscal year, the Secretaries shall  
19 make the grant in an amount equal to 20 percent of the  
20 total amount of the State's general incentive grant under  
21 section 6, and the State's bonus grant under subsection  
22 (a), for that fiscal year.

23 (f) APPLICATION.—

24 (1) IN GENERAL.—To be eligible to receive a  
25 bonus grant under subsection (a), a State shall sub-

1 mit an application to the Secretaries at such time,  
2 in such manner, and containing such information as  
3 the Secretaries may require.

4 (2) GOALS AND MEASURES.—A State that sub-  
5 mits an application under this subsection for a year  
6 described in subsection (c) or (d) shall include in the  
7 application—

8 (A) a description of performance goals to  
9 be achieved by the State through activities as-  
10 sisted under this Act, relating to the improved  
11 competencies and increased retention referred  
12 to in subsection (c) and the increased school  
13 preparedness referred to in subsection (d); and

14 (B) the performance outcome measures the  
15 State will use to evaluate progress toward  
16 achieving such goals.

17 (g) INDICATORS AND MEASURES.—

18 (1) PANEL.—

19 (A) IN GENERAL.—The Board on Chil-  
20 dren, Youth, and Families of the National Re-  
21 search Council, and the Institute of Medicine,  
22 of the National Academy of Sciences shall es-  
23 tablish an independent panel of experts to pro-  
24 vide guidance and technical assistance to the  
25 States in the task of assessing progress in—

1 (i) improving competencies and in-  
2 creasing retention as described in sub-  
3 section (c); and

4 (ii) increasing school preparedness of  
5 the kindergartners in the State.

6 (B) COMPOSITION.—The panel of experts  
7 shall include, to the extent practicable, rep-  
8 resentatives of the Centers for Disease Control  
9 and Prevention, the National Institute of Men-  
10 tal Health, the National Institute of Child  
11 Health and Human Development, the National  
12 Association for the Education of Young Chil-  
13 dren, the National Center for Learning Disabil-  
14 ities, the American Academy of Pediatrics, the  
15 Office of Educational Research and Improve-  
16 ment of the Department of Education, the Gen-  
17 eral Accounting Office, and other noted experts  
18 in the field of early care and early education.

19 (C) TIMING.—The Board and the Institute  
20 of Medicine shall establish the panel not later  
21 than 90 days after the date of enactment of  
22 this Act.

23 (2) MEASURES.—Not later than the last day of  
24 the first full fiscal year after the date of enactment

1 of this Act, the panel described in paragraph (1)  
2 shall—

3 (A) identify indicators, measures, and as-  
4 sessments for competencies described in sub-  
5 section (c)(1); and

6 (B)(i) generate an inventory of science-  
7 based indicators of cognitive, language, social,  
8 emotional, and physical development, and age-  
9 appropriate competencies in early literacy and  
10 numeracy; and

11 (ii) identify a selection of valid and reliable  
12 measures for those indicators, including meas-  
13 ures from scientifically validated assessments,  
14 systematic observational measures, and meas-  
15 ures from parent and teacher inputs.

16 (3) USE OF MEASURES.—

17 (A) IN GENERAL.—In making the dem-  
18 onstration described in subsection (c)(1) or  
19 (d)(1)(B) in an application submitted under  
20 subsection (f), a State may use any of the  
21 measures identified under subparagraph (A) or  
22 (B), respectively, of paragraph (2), or may use  
23 an alternative evaluation approach identified in  
24 the application.



1           (B) ASSISTANCE.—The Secretaries shall  
2           provide to States that elect to use a measure  
3           identified under subparagraph (A) or (B) of  
4           paragraph (2), assistance in implementing the  
5           measure.

6           (h) RESULTS.—Assessment results may be used to  
7           make the demonstration described in subsection (d)(1)(B)  
8           for a State only if—

9           (1) the assessment is conducted on a scientif-  
10          ically derived sample of children across the State;

11          (2) the assessment is conducted on kinder-  
12          garten children by certified or licensed teachers; and

13          (3) the State certifies to the Secretaries that  
14          the assessment tools are—

15               (A) valid and reliable and used only for the  
16               purposes of making the demonstration;

17               (B) age appropriate for the population  
18               served;

19               (C) based on systematic observational  
20               measurements that shall be conducted in the  
21               children’s natural environments (unless a cer-  
22               tified or licensed teacher determines that an-  
23               other environment would be more appropriate)  
24               and used in conjunction with information gath-

1           ered through parent and provider interviews  
2           and the children’s work; and

3           (D) able to provide information on chil-  
4           dren’s cognitive, language, social, emotional,  
5           and physical development.

6           (i) FORM AND USE OF INFORMATION.—

7           (1) IDENTIFYING CHARACTERISTICS.—A State  
8           (or a local educational agency collecting information  
9           for the State under this section) shall aggregate the  
10          information the State uses to demonstrate eligibility  
11          for a bonus grant under subsection (a). The State  
12          may not include in the information data relating to  
13          a child’s name, address, or other personal identifying  
14          characteristics.

15          (2) USE OF INFORMATION.—A State may not  
16          use the information—

17                  (A) to track a child; or

18                  (B) to determine whether a child should be  
19                  retained in kindergarten.

20          (j) ALLOCATION OF ADDITIONAL FUNDS.—Notwith-  
21          standing any other provision of this Act, from any  
22          amounts described in section 5(b)(1)(A) and remaining for  
23          a fiscal year that is not described in subsection (k) after  
24          the Secretaries carry out subsection (a), the Secretaries  
25          may—

1           (1) use the remainder to increase the amount of  
2 the bonus grants provided under subsection (a) to  
3 those States for that year; or

4           (2) reserve the remainder to provide bonus  
5 grants under subsection (a) to eligible States for the  
6 following year.

7           (k) PERFORMANCE IMPROVEMENT DEMONSTRATION  
8 PROJECT.—

9           (1) IN GENERAL.—Notwithstanding any other  
10 provision of this Act, for the second fiscal year after  
11 the year described in subsection (c), from any  
12 amounts described in section 5(b)(1)(A) and remain-  
13 ing for that second fiscal year after the Secretaries  
14 carry out subsection (a), the Secretaries shall use  
15 the remainder to carry out this subsection.

16           (2) DEMONSTRATION PROJECT.—During that  
17 year, the Secretaries shall establish a demonstration  
18 project to assist States that are not eligible to re-  
19 ceive bonus grants under subsection (a) for that  
20 year. In carrying out the project, the Secretaries  
21 shall make grants to local entities in those States to  
22 enable the entities to carry out activities, based on  
23 information collected from States with successful  
24 State systems, to improve the ability of the States  
25 to achieve the performance outcome measures de-

1 scribed in the State applications submitted under  
2 section 8 and subsection (f).

3 **SEC. 11. ADMINISTRATION.**

4 The Secretaries shall enter into a memorandum of  
5 understanding that specifies how the Secretaries will carry  
6 out this Act and award grants under this Act. Notwith-  
7 standing any other provision of law, such memorandum  
8 of understanding shall include provisions for the establish-  
9 ment of a Joint Office of Early Care and Education.

10 **SEC. 12. REPORTS TO SECRETARIES.**

11 (a) IN GENERAL.—Each State that receives a grant  
12 (including a bonus grant) under this Act shall prepare an  
13 annual report that contains—

14 (1) a description of the manner in which the  
15 State has used the funds made available through the  
16 grant and a report of the expenditures made with  
17 the funds; and

18 (2)(A) a summary of the State's progress to-  
19 ward providing the activities, and an evaluation of  
20 the State's progress toward achieving the perform-  
21 ance outcome measures, described in the State's ini-  
22 tial State applications submitted under sections 8  
23 and 10 for the fiscal year involved; and

24 (B) in the case of a State with a modified State  
25 application submitted under section 8 or 10—

1 (i) a summary of the State's progress to-  
2 ward providing the activities, and an evaluation  
3 of the State's progress toward achieving the  
4 performance outcome measures, described in  
5 the modified State application for the fiscal  
6 year involved; and

7 (ii) the rationale for the modifications in-  
8 volved.

9 (b) CONTENTS.—The report shall contain—

10 (1) data on the number of early childhood pro-  
11 fessionals in the State who received training, edu-  
12 cation, or professional development during the pe-  
13 riod of the grant and remained in the early care and  
14 early education field;

15 (2) data on the school preparedness of children  
16 in the State;

17 (3) a description of the State's progress in over-  
18 coming barriers to the effective use of Federal,  
19 State, and local public funds, and private funds, for  
20 early care and early education; and

21 (4) a description of the manner in which the  
22 State has addressed children from economically or  
23 otherwise disadvantaged families.

1 (c) SUBMISSION.—The State shall submit the report,  
2 at the end of each fiscal year, to the Secretaries and the  
3 advisory council for the State.

4 **SEC. 13. PERFORMANCE IMPROVEMENT PLANS.**

5 (a) DETERMINATION.—At the end of the third full  
6 fiscal year after the date of enactment of this Act, and  
7 of each subsequent fiscal year, the Secretaries shall deter-  
8 mine whether each State that receives funds under this  
9 Act made progress during that fiscal year toward achiev-  
10 ing the performance outcome measures described in the  
11 initial State applications (or, if appropriate, the modified  
12 State applications) approved for the State under sections  
13 8 and 10 for the fiscal year involved. The Secretaries shall  
14 make the determination on the basis of the State report  
15 described in section 12.

16 (b) PLAN.—If the Secretaries determine that a State  
17 did not make progress as described in subsection (a) for  
18 a fiscal year, the Secretaries shall require the State to sub-  
19 mit a performance improvement plan that describes the  
20 measures the State will take to make that progress. To  
21 be eligible to receive funds under this Act for the following  
22 fiscal year, the State shall prepare and submit the plan  
23 to the Secretaries. To be eligible to receive funds under  
24 this Act for a subsequent fiscal year, the State shall dem-  
25 onstrate reasonable progress in implementing such plan.

1 **SEC. 14. NONCOMPLIANCE WITH STATE PLAN.**

2 (a) REVIEW.—The Secretaries shall review each re-  
3 port submitted under section 12 for a fiscal year to ensure  
4 that the funds appropriated to carry out this Act for the  
5 fiscal year were expended in accordance with the provi-  
6 sions of the State plan described in section 8(a)(2)(B) that  
7 are applicable to that fiscal year.

8 (b) DETERMINATION AND WITHHOLDING.—If the  
9 Secretaries determine that the funds were not expended  
10 in accordance with the provisions of the State plan—

11 (1) the Secretaries shall withhold the amount of  
12 the funds that were improperly expended, from the  
13 State’s allotment under section 5(b)(1)(B) for the  
14 following fiscal year; and

15 (2) the State shall not be eligible for a bonus  
16 grant under section 10(a) for the following fiscal  
17 year.

18 (c) USE OF WITHHELD FUNDS.—The Secretaries  
19 shall use funds withheld from 1 or more States for a fiscal  
20 year under subsection (b)(1) to provide assistance to the  
21 remaining States in accordance with section 5(b)(1)(B).  
22 For purposes of this Act, such assistance made available  
23 to a State for a fiscal year shall be considered to be a  
24 part of the allotment for that State under that subsection  
25 for that fiscal year.

1 **SEC. 15. REPORT TO CONGRESS.**

2 (a) IN GENERAL.—The Secretaries shall prepare an  
3 annual report that—

4 (1) describes the progress of each State toward  
5 achieving the performance outcome measures de-  
6 scribed in subparagraph (A) and, if appropriate,  
7 subparagraph (B), of section 12(a)(2) for the year  
8 covered by the report; and

9 (2) compares that progress with the progress of  
10 the State toward achieving those measures for the  
11 preceding fiscal year.

12 (b) SUBMISSION.—The Secretaries shall submit the  
13 report to the appropriate committees of Congress.

14 **SEC. 16. CLEARINGHOUSE.**

15 (a) IN GENERAL.—The Secretaries, acting through  
16 the appropriate officers of the Department of Health and  
17 Human Services (including the National Institute of Child  
18 Health and Human Development and the National Insti-  
19 tute of Mental Health) and the Department of Education  
20 shall support (using funds made available under Federal  
21 law other than this Act) a collaborative research project,  
22 through a clearinghouse in existence on the date the  
23 project begins, to—

24 (1) identify, compile, and disseminate informa-  
25 tion on effective, research-based, early care and early  
26 education (including prereading and language) pro-



1       grams, curricula, and teaching strategies that  
2       address—

3               (A) cognitive development;

4               (B) language development;

5               (C) social and emotional development;

6               (D) physical and motor development; and

7               (E) emergent literacy and phonemic aware-  
8       ness;

9       (2)(A) compile information that describes—

10               (i) the systems of early care and early edu-  
11       cation programs and activities in States eligible  
12       to receive grants under section 10(a); and

13               (ii) the methods that the eligible States  
14       have used to establish successful systems de-  
15       scribed in clause (i); and

16       (B) disseminate the information to other  
17       States;

18       (3)(A) identify State best practices relating to  
19       early care and early education, including effective  
20       State activities, standards, and guidelines; and

21       (B) compile and disseminate information that  
22       describes the practices, including the activities,  
23       standards, and guidelines; and

1           (4)(A) identify and evaluate model tools for  
2           conducting observational assessments in kinder-  
3           garten; and

4           (B) compile and disseminate information that  
5           describes the tools.

6           (b) DISSEMINATION.—The Secretaries shall—

7           (1) disseminate information about the existence  
8           of the clearinghouse described in subsection (a); and

9           (2) ensure wide dissemination, through the  
10          Internet, through public television, through public li-  
11          braries, and by other means, of materials describing  
12          the clearinghouse, and the availability of the infor-  
13          mation disseminated by the clearinghouse.

14   **SEC. 17. SUPPLEMENTATION OF FUNDS AND MAINTENANCE**  
15                           **OF EFFORT.**

16          (a) SUPPLEMENT, NOT SUPPLANT.—Amounts appro-  
17          priated under this Act shall be used to supplement and  
18          not supplant other Federal, State, and local public funds,  
19          expended to provide services for early care and early edu-  
20          cation programs and activities.

21          (b) MAINTENANCE OF EFFORT.—The Secretaries  
22          shall not award a grant under this Act to any State for  
23          a fiscal year unless the Secretaries first determine that  
24          the total expenditures by the State to support early care  
25          and early education programs and activities for the pre-

1 ceding fiscal year are not less than such expenditures for  
2 the fiscal year in which the date of enactment of this Act  
3 occurs.

4 (c) WAIVER.—The Secretaries may waive the require-  
5 ments of subsection (b) if the Secretaries determine that  
6 a waiver would be equitable due to a precipitous decline  
7 in the financial resources of a State that has necessitated  
8 across-the-board reductions in State services, including  
9 early care and early education programs.

10 **SEC. 18. RULES OF CONSTRUCTION.**

11 (a) IN GENERAL.—Nothing in this Act shall be con-  
12 strued to permit or require a State—

13 (1) to impose State child care licensing require-  
14 ments on any type of early childhood provider, in-  
15 cluding any such provider who is exempt from State  
16 child care licensing requirements on the date of en-  
17 actment of this Act;

18 (2) to require an early childhood provider (in-  
19 cluding a child care provider, such as a parent,  
20 grandparent, family child care provider, or religious  
21 provider) in a State to comply with a State vol-  
22 untary guideline or recommendation for effective  
23 early childhood education activities; or

24 (3) to require a parent to have a child submit  
25 to developmental screening.

1 (b) PROHIBITION ON REQUIRED PARTICIPATION.—  
2 No State receiving funds under this Act may require any  
3 child to participate in any Federal, State, local, or private  
4 early childhood education program.

5 (c) PROHIBITION ON USE OF FUNDS FOR TEST-  
6 ING.—No State receiving funds under this Act may use  
7 the funds—

8 (1) to permit testing, as opposed to systematic  
9 observational assessment, of a young child; or

10 (2) to permit testing or assessment that results  
11 in penalties or sanctions being imposed on a young  
12 child.

13 **SEC. 19. AUTHORIZATION OF APPROPRIATIONS.**

14 (a) IN GENERAL.—There are authorized to be appro-  
15 priated to carry out this Act \$1,000,000,000 for fiscal  
16 year 2003 and such sums as may be necessary for each  
17 of fiscal years 2004 through 2007.

18 (b) AVAILABILITY.—Any sums appropriated under  
19 the authorization contained in this section shall remain  
20 available, without fiscal year limitation, until expended.

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