S. 1084

At the request of Mr. KENNEDY, the names of the Senator from Washington (Mrs. MURRAY) and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 1084, a bill to eliminate child poverty, and for other purposes.

S. 1086

At the request of Mr. HATCH, the names of the Senator from Delaware (Mr. BIDEN), the Senator from Florida (Mr. MARTINEZ) and the Senator from Nevada (Mr. ENSIGN) were added as cosponsors of S. 1086, a bill to improve the national program to register and monitor individuals who commit crimes against children or sex offenses.

S. 1092

At the request of Mr. SALAZAR, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1092, a bill to establish a program under which the Secretary of the Interior offers for lease certain land for oil shale development, and for other purposes.

S.J. RES. 18

At the request of Mrs. FEINSTEIN, the names of the Senator from New York (Mrs. CLINTON) and the Senator from Nebraska (Mr. NELSON) were added as cosponsors of S.J. Res. 18, a joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003.

AMENDMENT NO. 762

At the request of Mr. NELSON of Florida, the name of the Senator from Iowa (Mr. HARKIN) was added as a cosponsor of amendment No. 762 intended to be proposed to S. 1042, an original bill to authorize appropriations for fiscal year 2006 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CORZINE (for himself and Mr. LAUTENBERG):

S. 1096. A bill to amend the Wild and Scenic Rivers Act to designate portions of the Musconetcong River in the State of New Jersey as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. CORZINE. Mr. President, today, along with Senator LAUTENBERG, I am introducing legislation, the Musconetcong Wild and Scenic Rivers Act, to designate portions of the Musconetcong River in New Jersey as a component of the National Wild and Scenic Rivers System. I am proud to be joining my New Jersey colleague, Representative SCOTT GARRETT, who has introduced this legislation in the House of Representatives, with the support of Congressmen ROBERT ANDREWS, MICHAEL FERGUSON, RODNEY FRELINGHUYSEN, ROBERT MENENDEZ, FRANK PALLONE, DONALD PAYNE and JAMES SAXTON.

This is important legislation to help preserve and protect one of the most valuable natural resources in the State of New Jersey. The Musconetcong River is a 43 mile river that runs westward from Lake Musconetcong to the Delaware River. It provides many ecological, recreational and scenic benefits to the northwestern portion of our State. In addition, it is also home to a number of archeological sites and other historic areas, including one site in Warren County where scientists have discovered stone knives and other weapons dating back at least ten thousand years. Finally, it feeds acquifers that provide many residents in Hunterdon and Warren counties with quality drinking water.

Unfortunately, the beauty and value that the Musconetcong provides is at risk. The river faces pressures, for example, from the development that is occurring on or near its shores. This has caused water quality to deteriorate from increased levels of bacteria, silt and runoff from roadways. Further, many of the municipalities that lie along the river lack the financial resources to adequately protect the river for future generations.

The Musconetcong Wild and Scenic Rivers Act would help state, county and local officials begin to address these concerns, working alongside environmental and public interest groups. By including this river in the Wild and Scenic River System, it would allow New Jersey to implement a management plan for the river that has the support of three counties and 13 municipalities. In addition it would make the river eligible for financial, planning, and technical assistance to help preserve and protect it. The goal is to encourage uses and development that is compatible with the river.

The Wild and Scenic River System already includes the Maurice and Great Egg Harbor Rivers in New Jersey as well as the lower and middle portions of the Delaware River

I will work hard in the 109th Congress to see that the Musconetcong is added to this list. I hope my colleagues will support this legislation, and I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1096

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Musconetcong Wild and Scenic Rivers Act''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Secretary of the Interior, in cooperation and consultation with appropriate Federal, State, regional, and local agencies, is conducting a study of the eligibility and suitability of the Musconetcong River in the State of New Jersey for inclusion in the Wild and Scenic Rivers System;

(2) the Musconetcong Wild and Scenic River Study Task Force, with assistance from the National Park Service, has prepared a river management plan for the study area entitled ''Musconetcong River Management Plan'' and dated April 2002 that establishes goals and actions to ensure long-term protection of the outstanding values of the river and compatible management of land and water resources associated with the Musconetcong River; and

(3) 13 municipalities and 3 counties along segments of the Musconetcong River that are eligible for designation have passed resolutions in which the municipalities and counties—

(A) express support for the Musconetcong River Management Plan;

(B) agree to take action to implement the goals of the management plan; and

(C) endorse designation of the Musconetcong River as a component of the Wild and Scenic Rivers System.

SEC. 3. DEFINITIONS.

In this Act:

(1) ADDITIONAL RIVER SEGMENT.—The term ''additional river segment'' means the approximately 4.3–mile Musconetcong River segment designated as ''C'' in the management plan, from Hughesville Mill to the Delaware River Confluence.

(2) MANAGEMENT PLAN.—The term ''management plan'' means the river management plan prepared by the Musconetcong River Management Committee, the National Park Service, the Heritage Conservancy, and the Musconetcong Watershed Association entitled ''Musconetcong River Management Plan'' and dated April 2002 that establishes goals and actions to—

(A) ensure long-term protection of the outstanding values of the river segments; and

(B) compatible management of land and water resources associated with the river segments.

(3) RIVER SEGMENT.—The term ''river segment'' means any segment of the Musconetcong River, New Jersey, designated as a scenic river or recreational river by section 3(a)(167) of the Wild and Scenic Rivers Act (as added by section 4).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

SEC. 4. DESIGNATION OF PORTIONS OF MUSCONETCONG RIVER, NEW JERSEY, AS SCENIC AND RECREATIONAL RIVERS.

Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by adding at the end the following:

''(167) MUSCONETCONG RIVER, NEW JERSEY.—

''(A) DESIGNATION.—The 24.2 miles of river segments in New Jersey, consisting of—

''(i) the approximately 3.5–mile segment from Saxton Falls to the Route 46 bridge, to be administered by the Secretary of the Interior as a scenic river; and

''(ii) the approximately 20.7–mile segment from the Kings Highway bridge to the railroad tunnels at Musconetcong Gorge, to be administered by the Secretary of the Interior as a recreational river.

''(B) ADMINISTRATION.—Notwithstanding section 10(c), the river segments designated under subparagraph (A) shall not be administered as part of the National Park System.''.

SEC. 5. MANAGEMENT.

(a) MANAGEMENT PLAN.—

(1) IN GENERAL.—The Secretary shall manage the river segments in accordance with the management plan.

(2) SATISFACTION OF REQUIREMENTS FOR PLAN.—The management plan shall be considered to satisfy the requirements for a comprehensive management plan for the river segments under section 3(d) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(d)).

(3) RESTRICTIONS ON WATER RESOURCE PROJECTS.—For purposes of determining whether a proposed water resources project would have a direct and adverse effect on the values for which a river segment is designated as part of the Wild and Scenic Rivers System under section 7(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1278(a)), the Secretary shall consider the extent to which the proposed water resources project is consistent with the management plan.

(4) IMPLEMENTATION.—The Secretary may provide technical assistance, staff support, and funding to assist in the implementation of the management plan.

(b) COOPERATION.—

(1) IN GENERAL.—The Secretary shall manage the river segments in cooperation with appropriate Federal, State, regional, and local agencies, including—

(A) the Musconetcong River Management Committee;

(B) the Musconetcong Watershed Association;

(C) the Heritage Conservancy;

(D) the National Park Service; and

(E) the New Jersey Department of Environmental Protection.

(2) COOPERATIVE AGREEMENTS.—Any cooperative agreement entered into under section 10(e) of the Wild and Scenic Rivers Act (16 U.S.C. 1281(e)) relating to a river segment—

(A) shall be consistent with the management plan; and

(B) may include provisions for financial or other assistance from the United States to facilitate the long-term protection, conservation, and enhancement of the river segment.

(c) LAND MANAGEMENT.—

(1) IN GENERAL.—The Secretary may provide planning, financial, and technical assistance to local municipalities and nonprofit organizations to assist in the implementation of actions to protect the natural and historic resources of the river segments.

(2) PLAN REQUIREMENTS.—After adoption of recommendations made in section IV of the management plan, the zoning ordinances of the municipalities bordering the segments shall be considered to satisfy the standards and requirements under section 6(c) of the Wild and Scenic Rivers Act (16 U.S.C. 1277(c)).

(d) DESIGNATION OF ADDITIONAL RIVER SEGMENT.—

(1) FINDING.—Congress finds that the additional river segment is suitable for designation as a recreational river if the Secretary determines that there is adequate local support for the designation of the additional river segment in accordance with paragraph (3).

(2) DESIGNATION AND ADMINISTRATION.—If the Secretary determines that there is adequate local support for designating the additional river segment as a recreational river—

(A) the Secretary shall publish in the Federal Register notice of the designation of the segment;

(B) the segment shall be designated as a recreational river in accordance with the Wild and Scenic Rivers Act (16 U.S.C. 1271 et seq.); and

(C) the Secretary shall administer the additional river segment as a recreational river.

(3) CRITERIA FOR LOCAL SUPPORT.—In determining whether there is adequate local support for the designation of the additional river segment, the Secretary shall consider the preferences of local governments expressed in resolutions concerning designation of the additional river segment.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this Act and the amendments made by this Act.

By Mr. DODD (for himself and Mr. LIEBERMAN):

S. 1097. A bill to amend title 4 of the United States Code to prohibit the double taxation of telecommuters and others who work from home; to the Committee on Finance.

Mr. DODD. Mr. President. I am pleased to rise today, together with my colleague Senator LIEBERMAN, to introduce The Telecommuter Tax Fairness Act of 2005.

The Telecommuter Tax Fairness Act of 2005 will put an end to legal doctrine that unfairly penalizes thousands of workers in Connecticut and in other States throughout the country whose only offense is that they sometimes work from home or from a local office of their employer.

Technology has changed the way business is conducted in America. With the use of cell phones, lap-top computers, email, the Internet, mobile networking, and many other telecommunication advancements of the 21st century, Americans have a greater flexibility in where they can work, without compromising productivity. Many citizens now choose to work from home or alternative offices when their physical presence is not necessary at their primary place of work.

Telecommuting provides enormous benefits for businesses, families, and communities. It helps businesses lower costs and raise worker productivity. It reduces congestion on our roads and rails, and in so doing it lowers pollution. It helps workers better manage the demands of work and family. And last but not least, it can mean lower income taxes for working men and women.

Yet, the many benefits to workers of telecommuting are today placed in jeopardy because of current law in New York and a few other States. Today, New York State requires that workers pay income tax on income even if it is not earned in the State through their ''convenience of the employer'' rule. While there are several States that have the ''convenience of the employer'' rule, no other State applies it with the same rigor as New York.

New York's ''convenience of the employer'' rule requires that by working for a New York employer, all income earned from that employer must be declared in New York so long as the worker ''could'' perform his or her duties in New York. A worker for a New York employer who works part-time from home in Connecticut or another State is still subject to taxation by New York on 100 percent of his or her income. At the same time, the work done by that worker in a State outside New York is subject to taxation by that State.

This unfairly subjects many workers who telecommute from their homes or from satellite offices outside of New York to a double tax on that part of the income earned from home. According to Connecticut's Attorney General, thousands of Connecticut residents alone are affected by this unfair double taxation.

However, it isn't only Connecticut residents that are affected.

Thomas Huckaby is a Tennessee-based computer programmer that telecommuted for a firm in Queens, NY. In 1994 and 1995, Mr. Huckaby spent 75 percent of his time working in Tennessee and the remaining 25 percent working in the Queens office and attempted to apportion his income accordingly. New York, however, sought to tax 100 percent of his income and was successful due to it's ''convenience of employer'' rule. On March 29, 2005 the New York Court of Appeals upheld New York's rule in a 4 to 3 decision. Currently, Mr. Huckaby is in the process of petitioning the Supreme Court.

A similar story involves Arthur Gray, a New Hampshire resident who worked for the New York Company Cowen & Co. as an investment counselor from 1976 through 1996, and paid New York State income taxes during that time. In 1997, Arthur Gray, per his employer's request, opened and managed an office from his home in New Hampshire. Several times during the year, Mr. Gray worked in New York, but most of his days were spent in New Hampshire. When paying his taxes during this time, he paid New York State income taxes for the days he was in New York, but not for the days he worked in New Hampshire. New York, however, sought to tax 100 percent of his income and was successful due to this ''convenience of the employer'' rule.

These are only two examples of the far-reaching consequences of this ''convenience of employer'' rule. There are thousands of individuals across the country who are adversely impacted by this rule. Most, however, but most lack the time, money, or energy to take their case to court.

This potential for double taxation is not only unfair, it also discourages workers from telecommuting when we should be doing the opposite.

Legislation is needed to protect these honest workers who deserve fair and equitable treatment under the law. The Telecommuter Tax Fairness Act of 2005 accomplishes this by specifically preventing a State from engaging in the current fiction of deeming a nonresident to be in the taxing State when the nonresident is actually working in another State. In doing so, it will eliminate the possibility that citizens will be double-taxed when telecommuting.

Establishing a ''physical presence'' test—as this legislation would do—is the most logical basis for determining tax status. If a worker is in a State, and taking advantage of that State's infrastructure, the worker should pay taxes in that State.

Some suggest that the double-taxation quandary can easily be fixed by having other States provide a tax credit to those telecommuters. However, why should Connecticut, or any other

State, be required to allow a credit on income actually earned in the State? If a worker is working in Connecticut, he or she is benefiting from a range of Services paid for and maintained by Connecticut including roads, water, police, fire protection, and communications services. It's only fair that Connecticut ask that worker to help support the services that he or she uses.

This is not just an issue which deals with a small group of citizens from one small State. Rather, this is an issue which affects workers throughout the country. It will only grow more pressing as people and businesses continue to seek to take advantage of new technologies that affect the way we live and work.

I hope our colleagues will favorably consider this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1097

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Telecommuter Tax Fairness Act of 2005''.

SEC. 2. PROHIBITION ON DOUBLE TAXATION OF TELECOMMUTERS.

(a) IN GENERAL.—Chapter 4 of title 4, United States Code, is amended by adding at the end the following new section:

''§ 127. Prohibition on double taxation of telecommuters and others who work at home

''(a) PHYSICAL PRESENCE REQUIRED.—

''(1) IN GENERAL.—In applying its income tax laws to the salary of a nonresident individual, a State may only deem such nonresident individual to be present in or working in such State for any period of time if such nonresident individual is physically present in such State for such period and such State may not impose nonresident income taxes on such salary with respect to any period of time when such nonresident individual is physically present in another State.

''(2) DETERMINATION OF PHYSICAL PRESENCE.—For purposes of determining physical presence, no State may deem a nonresident individual to be present in or working in such State on the grounds that such nonresident individual is present at or working at home for the nonresident individual's convenience.

''(b) DEFINITIONS.—As used in this section—

''(1) STATE.—The term 'State' includes any political subdivision of a State, the District of Columbia, and the possessions of the United States.

''(2) INCOME TAX.—The term 'income tax' has the meaning given such term by section 110(c).

''(3) INCOME TAX LAWS.—The term 'income tax laws' includes any statutes, regulations, administrative practices, administrative interpretations, and judicial decisions.

''(4) NONRESIDENT INDIVIDUAL.—The term 'nonresident individual' means an individual who is not a resident of the State applying its income tax laws to such individual.

''(5) SALARY.—The term 'salary' means the compensation, wages, or other remuneration earned by an individual for personal services performed as an employee or as an independent contractor.

''(c) NO INFERENCE.—Nothing in this section shall be construed as bearing on—

''(1) any tax laws other than income tax laws,

''(2) the taxation of corporations, partnerships, trusts, estates, limited liability companies, or other entities, organizations, or persons other than nonresident individuals in their capacities as employees or independent contractors,

''(3) the taxation of individuals in their capacities as shareholders, partners, trust and estate beneficiaries, members or managers of limited liability companies, or in any similar capacities, and

''(4) the income taxation of dividends, interest, annuities, rents, royalties, or other forms of unearned income.''.

(b) CLERICAL AMENDMENT.—The table of sections of such chapter 4 is amended by adding at the end the following new item:

''127. Prohibition on double taxation of telecommuters and others who work at home.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of enactment of this Act.

By Mr. SHELBY:

S. 1099. A bill to repeal the current Internal Revenue Code and replace it with a flat tax, thereby guaranteeing economic growth and greater fairness for all Americans; to the Committee on Finance.

Mr. SHELBY. Mr. President, I rise today to once again introduce my flat tax bill, S. 1099 the ''Tax Simplification Act of 2005.'' The President has made fundamental tax reform a top priority for his second term. I believe my bill offers that fundamental tax reform and will drastically improve our Nation's economy and the way Americans go about the business of paying taxes. This bill would repeal the current Internal Revenue Code and create a single rate for all taxpayers—seventeen percent when the tax is fully implemented—and gives tax-free treatment to all savings and investment, not just dividends.

A major reason why I support a flat tax is because it will place more money into the hands of hardworking Americans. It will allow individuals—not the government—to decide how to best spend their money. Lowering taxes allows Americans to keep more of their money to keep up with monthly expenses like, insurance coverage, educational costs, and prescription drugs. Lowering taxes also makes it easier for Americans to save for their retirement through private savings plans. Although I strongly believe in the importance of private savings, my bill leaves the Social Security system intact and, in fact, provides seniors with more money by repealing the current tax on Social Security benefits.

I have said many times before that our current progressive tax system is unfair. It punishes success and stymies economic growth. The only way we can remedy this is to adopt a single tax rate for all taxpayers. Transitioning to a flat tax will not only increase the fairness of the tax code, but it will also increase the incentives to work and thus boost economic growth.

Today our tax code and its regulations total more than 60,000 pages which are complex, confusing and costly to comply with. Were a flat tax in place now, taxpayers would file a return the size of a postcard, and every American would be taxed equally and at the same rate. Rather than spending hours poring over convoluted IRS forms, or resorting to professional tax assistance, the flat tax allows taxpayers to determine their taxes quickly and easily. Everyone will fill out the same simple return, everyone will be taxed at the same rate, and everyone will pay their fare share. Paying taxes may never be a pleasant experience, but at least under a flat tax it wouldn't be mind-boggling.

I fully realize that the bill I am introducing today is a monumental shift from the current tax code, but the time is ripe for fundamental tax reform. We must not allow the enormity of the task to deter us from enacting better, more efficient tax laws. I therefore urge my colleagues to join me in support of this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1099

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Tax Simplification Act of 2005''.

(b) TABLE OF CONTENTS.—

TITLE I—TAX REDUCTION AND SIMPLIFICATION

SEC. 101. INDIVIDUAL INCOME TAX.

(a) IN GENERAL.—Section 1 of the Internal Revenue Code of 1986 is amended to read as follows:

''SECTION 1. TAX IMPOSED.

''There is hereby imposed on the taxable income of every individual a tax equal to 19 percent (17 percent in the case of taxable years beginning after December 31, 2007) of the taxable income of such individual for such taxable year.''.

(b) TAXABLE INCOME.—Section 63 of such Code is amended to read as follows:

''SEC. 63. TAXABLE INCOME.

''(a) IN GENERAL.—For purposes of this subtitle, the term 'taxable income' means the excess of—

''(1) the sum of—

''(A) wages (as defined in section 3121(a) without regard to paragraph (1) thereof) which are paid in cash and which are received during the taxable year for services performed in the United States,

''(B) retirement distributions which are includible in gross income for such taxable year, plus

''(C) amounts received under any law of the United States or of any State which is in the nature of unemployment compensation, over

''(2) the standard deduction.

''(b) STANDARD DEDUCTION.—

''(1) IN GENERAL.—For purposes of this subtitle, the term 'standard deduction' means the sum of—

''(A) the basic standard deduction, plus

''(B) the additional standard deduction.

''(2) BASIC STANDARD DEDUCTION.—For purposes of paragraph (1), the basic standard deduction is—

''(A) $25,580 in the case of—

''(i) a joint return, or

''(ii) a surviving spouse (as defined in section 2(a)),

''(B) $16,330 in the case of a head of household (as defined in section 2(b)), and

''(C) $12,790 in the case of an individual—

''(i) who is not married and who is not a surviving spouse or head of household, or

''(ii) who is a married individual filing a separate return.

''(3) ADDITIONAL STANDARD DEDUCTION.—For purposes of paragraph (1), the additional standard deduction is $5,510 for each dependent (as defined in section 152) who is described in section 151(c) for the taxable year and who is not required to file a return for such taxable year.

''(c) RETIREMENT DISTRIBUTIONS.—For purposes of subsection (a), the term 'retirement distribution' means any distribution from—

''(1) a plan described in section 401(a) which includes a trust exempt from tax under section 501(a),

''(2) an annuity plan described in section 403(a),

''(3) an annuity contract described in section 403(b),

''(4) an individual retirement account described in section 408(a),

''(5) an individual retirement annuity described in section 408(b),

''(6) an eligible deferred compensation plan (as defined in section 457),

''(7) a governmental plan (as defined in section 414(d)), or

''(8) a trust described in section 501(c)(18).

Such term includes any plan, contract, account, annuity, or trust which, at any time, has been determined by the Secretary to be such a plan, contract, account, annuity, or trust.

''(d) INCOME OF CERTAIN CHILDREN.—For purposes of this subtitle—

''(1) an individual's taxable income shall include the taxable income of each dependent child of such individual who has not attained age 14 as of the close of such taxable year, and

''(2) such dependent child shall have no liability for tax imposed by section 1 with respect to such income and shall not be required to file a return for such taxable year.

''(e) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2006, each dollar amount contained in subsection (b) shall be increased by an amount determined by the Secretary to be equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment for such calendar year.

''(2) COST-OF-LIVING ADJUSTMENT.—For purposes of paragraph (1), the cost-of-living adjustment for any calendar year is the percentage (if any) by which—

''(A) the CPI for the preceding calendar year, exceeds

''(B) the CPI for the calendar year 2005.

''(3) CPI FOR ANY CALENDAR YEAR.—For purposes of paragraph (2), the CPI for any calendar year is the average of the Consumer Price Index as of the close of the 12-month period ending on August 31 of such calendar year.

''(4) CONSUMER PRICE INDEX.—For purposes of paragraph (3), the term 'Consumer Price Index' means the last Consumer Price Index for all-urban consumers published by the Department of Labor. For purposes of the preceding sentence, the revision of the Consumer Price Index which is most consistent with the Consumer Price Index for calendar year 1986 shall be used.

''(5) ROUNDING.—If any increase determined under paragraph (1) is not a multiple of $10, such increase shall be rounded to the next highest multiple of $10.

''(f) MARITAL STATUS.—For purposes of this section, marital status shall be determined under section 7703.''.

SEC. 102. TAX ON BUSINESS ACTIVITIES.

(a) IN GENERAL.—Section 11 of the Internal Revenue Code of 1986 (relating to tax imposed on corporations) is amended to read as follows:

''SEC. 11. TAX IMPOSED ON BUSINESS ACTIVITIES.

''(a) TAX IMPOSED.—There is hereby imposed on every person engaged in a business activity a tax equal to 19 percent (17 percent in the case of taxable years beginning after December 31, 2007) of the business taxable income of such person.

''(b) LIABILITY FOR TAX.—The tax imposed by this section shall be paid by the person engaged in the business activity, whether such person is an individual, partnership, corporation, or otherwise.

''(c) BUSINESS TAXABLE INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'business taxable income' means gross active income reduced by the deductions specified in subsection (d).

''(2) GROSS ACTIVE INCOME.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'gross active income' means gross receipts from—

''(i) the sale or exchange of property or services in the United States by any person in connection with a business activity, and

''(ii) the export of property or services from the United States in connection with a business activity.

''(B) EXCHANGES.—For purposes of this section, the amount treated as gross receipts from the exchange of property or services is the fair market value of the property or services received, plus any money received.

''(C) COORDINATION WITH SPECIAL RULES FOR FINANCIAL SERVICES, ETC.—Except as provided in subsection (e)—

''(i) the term 'property' does not include money or any financial instrument, and

''(ii) the term 'services' does not include financial services.

''(3) EXEMPTION FROM TAX FOR ACTIVITIES OF GOVERNMENTAL ENTITIES AND TAX-EXEMPT ORGANIZATIONS.—For purposes of this section, the term 'business activity' does not include any activity of a governmental entity or of any other organization which is exempt from tax under this chapter.

''(d) DEDUCTIONS.—

''(1) IN GENERAL.—The deductions specified in this subsection are—

''(A) the cost of business inputs for the business activity,

''(B) wages (as defined in section 3121(a) without regard to paragraph (1) thereof) which are paid in cash for services performed in the United States as an employee, and

''(C) retirement contributions to or under any plan or arrangement which makes retirement distributions (as defined in section 63(c)) for the benefit of such employees to the extent such contributions are allowed as a deduction under section 404.

''(2) BUSINESS INPUTS.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'cost of business inputs' means—

''(i) the amount paid for property sold or used in connection with a business activity,

''(ii) the amount paid for services (other than for the services of employees, including fringe benefits paid by reason of such services) in connection with a business activity, and

''(iii) any excise tax, sales tax, customs duty, or other separately stated levy imposed by a Federal, State, or local government on the purchase of property or services which are for use in connection with a business activity.

Such term shall not include any tax imposed by chapter 2 or 21.

''(B) EXCEPTIONS.—Such term shall not include—

''(i) items described in subparagraphs (B) and (C) of paragraph (1), and

''(ii) items for personal use not in connection with any business activity.

''(C) EXCHANGES.—For purposes of this section, the amount treated as paid in connection with the exchange of property or services is the fair market value of the property or services exchanged, plus any money paid.

''(e) SPECIAL RULES FOR FINANCIAL INTERMEDIATION SERVICE ACTIVITIES.—In the case of the business activity of providing financial intermediation services, the taxable income from such activity shall be equal to the value of the intermediation services provided in such activity.

''(f) EXCEPTION FOR SERVICES PERFORMED AS EMPLOYEE.—For purposes of this section, the term 'business activity' does not include the performance of services by an employee for the employee's employer.

''(g) CARRYOVER OF CREDIT-EQUIVALENT OF EXCESS DEDUCTIONS.—

''(1) IN GENERAL.—If the aggregate deductions for any taxable year exceed the gross active income for such taxable year, the credit-equivalent of such excess shall be allowed as a credit against the tax imposed by this section for the following taxable year.

''(2) CREDIT-EQUIVALENT OF EXCESS DEDUCTIONS.—For purposes of paragraph (1), the credit-equivalent of the excess described in paragraph (1) for any taxable year is an amount equal to—

''(A) the sum of—

''(i) such excess, plus

''(ii) the product of such excess and the 3-month Treasury rate for the last month of such taxable year, multiplied by

''(B) the rate of the tax imposed by subsection (a) for such taxable year.

''(3) CARRYOVER OF UNUSED CREDIT.—If the credit allowable for any taxable year by reason of this subsection exceeds the tax imposed by this section for such year, then (in lieu of treating such excess as an overpayment) the sum of—

''(A) such excess, plus

''(B) the product of such excess and the 3-month Treasury rate for the last month of such taxable year, shall be allowed as a credit against the tax imposed by this section for the following taxable year.

''(4) 3-MONTH TREASURY RATE.—For purposes of this subsection, the 3-month Treasury rate is the rate determined by the Secretary based on the average market yield (during any 1-month period selected by the Secretary and ending in the calendar month in which the determination is made) on outstanding marketable obligations of the United States with remaining periods to maturity of 3 months or less.''.

(b) TAX ON TAX-EXEMPT ENTITIES PROVIDING NONCASH COMPENSATION TO EMPLOYEES.—Section 4977 of such Code is amended to read as follows:

''SEC. 4977. TAX ON NONCASH COMPENSATION PROVIDED TO EMPLOYEES NOT ENGAGED IN BUSINESS ACTIVITY.

''(a) IMPOSITION OF TAX.—There is hereby imposed a tax equal to 19 percent (17 percent in the case of calendar years beginning after December 31, 2007) of the value of excludable compensation provided during the calendar year by an employer for the benefit of employees to whom this section applies.

''(b) LIABILITY FOR TAX.—The tax imposed by this section shall be paid by the employer.

''(c) EXCLUDABLE COMPENSATION.—For purposes of subsection (a), the term 'excludable compensation' means any remuneration for services performed as an employee other than—

''(1) wages (as defined in section 3121(a) without regard to paragraph (1) thereof) which are paid in cash,

''(2) remuneration for services performed outside the United States, and

''(3) retirement contributions to or under any plan or arrangement which makes retirement distributions (as defined in section 63(c)).

''(d) EMPLOYEES TO WHOM SECTION APPLIES.—This section shall apply to an employee who is employed in any activity by—

''(1) any organization which is exempt from taxation under this chapter, or

''(2) any agency or instrumentality of the United States, any State or political subdivision of a State, or the District of Columbia.''.

SEC. 103. SIMPLIFICATION OF RULES RELATING TO QUALIFIED RETIREMENT PLANS.

(a) IN GENERAL.—The following provisions of the Internal Revenue Code of 1986 are hereby repealed:

(1) NONDISCRIMINATION RULES.—

(A) Paragraphs (4) and (5) of section 401(a) (relating to nondiscrimination requirements).

(B) Sections 401(a)(10)(B) and 416 (relating to top heavy plans).

(C) Section 401(a)(17) (relating to compensation limit).

(D) Sections 401(a)(26) and 410(b) (relating to minimum participation and coverage requirements).

(E) Paragraphs (3), (8), (11), and (12) of sections 401(k), and section 4979, (relating to actual deferral percentage).

(F) Section 401(l) (relating to permitted disparity in plan contributions or benefits).

(G) Section 401(m) (relating to nondiscrimination test for matching contributions and employee contributions).

(H) Paragraphs (1)(D) and (12) of section 403(b) (relating to nondiscrimination requirements).

(I) Paragraph (3) of section 408(k) and paragraph (6) (other than subparagraph (A)(i)) of such section (relating to simplified employee pensions).

(2) CONTRIBUTION LIMITS.—

(A) Sections 401(a)(16), 403(b) (2) and (3), and 415 (relating to limitations on benefits and contributions under qualified plans).

(B) Sections 401(a)(30) and 402(g) (relating to limitation on exclusion for elective deferrals).

(C) Paragraphs (3) and (7) of section 404(a) (relating to percentage of compensation limits).

(D) Section 404(l) (relating to limit on includible compensation).

(3) RESTRICTIONS ON DISTRIBUTIONS.—

(A) Section 72(t) (relating to 10-percent additional tax on early distributions from qualified retirement plans).

(B) Sections 401(a)(9), 403(b)(10), and 4974 (relating to minimum distribution rules).

(C) Section 402(e)(4) (relating to net unrealized appreciation).

(4) SPECIAL REQUIREMENTS FOR PLAN BENEFITING SELF-EMPLOYED INDIVIDUALS.—Subsections (a)(10)(A) and (d) of section 401.

(5) PROHIBITION OF TAX-EXEMPT ORGANIZATIONS AND GOVERNMENTS FROM HAVING QUALIFIED CASH OR DEFERRED ARRANGEMENTS.—Section 401(k)(4)(B).

(b) EMPLOYER REVERSIONS OF EXCESS PENSION ASSETS PERMITTED SUBJECT ONLY TO INCOME INCLUSION.—

(1) REPEAL OF TAX ON EMPLOYER REVERSIONS.—Section 4980 of such Code is hereby repealed.

(2) EMPLOYER REVERSIONS PERMITTED WITHOUT PLAN TERMINATION.—Section 420 of such Code is amended to read as follows:

''SEC. 420. TRANSFERS OF EXCESS PENSION ASSETS.

''(a) IN GENERAL.—If there is a qualified transfer of any excess pension assets of a defined benefit plan (other than a multiemployer plan) to an employer—

''(1) a trust which is part of such plan shall not be treated as failing to meet the requirements of section 401(a) or any other provision of law solely by reason of such transfer (or any other action authorized under this section), and

''(2) such transfer shall not be treated as a prohibited transaction for purposes of section 4975.

The gross income of the employer shall include the amount of any qualified transfer made during the taxable year.

''(b) QUALIFIED TRANSFER.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified transfer' means a transfer—

''(A) of excess pension assets of a defined benefit plan to the employer, and

''(B) with respect to which the vesting requirements of subsection (c) are met in connection with the plan.

''(2) ONLY 1 TRANSFER PER YEAR.—No more than 1 transfer with respect to any plan during a taxable year may be treated as a qualified transfer for purposes of this section.

''(c) VESTING REQUIREMENTS OF PLANS TRANSFERRING ASSETS.—The vesting requirements of this subsection are met if the plan provides that the accrued pension benefits of any participant or beneficiary under the plan become nonforfeitable in the same manner which would be required if the plan had terminated immediately before the qualified transfer (or in the case of a participant who separated during the 1-year period ending on the date of the transfer, immediately before such separation).

''(d) DEFINITION AND SPECIAL RULE.—For purposes of this section—

''(1) EXCESS PENSION ASSETS.—The term 'excess pension assets' means the excess (if any) of—

''(A) the amount determined under section 412(c)(7)(A)(ii), over

''(B) the greater of—

''(i) the amount determined under section 412(c)(7)(A)(i), or

''(ii) 125 percent of current liability (as defined in section 412(c)(7)(B)).

The determination under this paragraph shall be made as of the most recent valuation date of the plan preceding the qualified transfer.

''(2) COORDINATION WITH SECTION 412.—In the case of a qualified transfer—

''(A) any assets transferred in a plan year on or before the valuation date for such year (and any income allocable thereto) shall, for purposes of section 412, be treated as assets in the plan as of the valuation date for such year, and

''(B) the plan shall be treated as having a net experience loss under section 412(b)(2)(B)(iv) in an amount equal to the amount of such transfer and for which amortization charges begin for the first plan year after the plan year in which such transfer occurs, except that such section shall be applied to such amount by substituting '10 plan years' for '5 plan years'.''.

SEC. 104. REPEAL OF ALTERNATIVE MINIMUM TAX.

Part VI of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is hereby repealed.

SEC. 105. REPEAL OF CREDITS.

Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is hereby repealed.

SEC. 106. REPEAL OF ESTATE AND GIFT TAXES AND OBSOLETE INCOME TAX PROVISIONS.

(a) REPEAL OF ESTATE AND GIFT TAXES.—

(1) IN GENERAL.—Subtitle B of the Internal Revenue Code of 1986 is hereby repealed.

(2) EFFECTIVE DATE.—The repeal made by paragraph (1) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2005.

(b) REPEAL OF OBSOLETE INCOME TAX PROVISIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), chapter 1 of the Internal Revenue Code of 1986 is hereby repealed.

(2) EXCEPTIONS.—Paragraph (1) shall not apply to—

(A) sections 1, 11, and 63 of such Code, as amended by this Act,

(B) those provisions of chapter 1 of such Code which are necessary for determining whether or not—

(i) retirement distributions are includible in the gross income of employees, or

(ii) an organization is exempt from tax under such chapter, and

(C) subchapter D of such chapter 1 (relating to deferred compensation).

SEC. 107. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title shall apply to taxable years beginning after December 31, 2005.

TITLE II—SUPERMAJORITY REQUIRED FOR TAX CHANGES

SEC. 201. SUPERMAJORITY REQUIRED.

(a) IN GENERAL.—It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment thereto, or conference report thereon that includes any provision that—

(1) increases any Federal income tax rate,

(2) creates any additional Federal income tax rate,

(3) reduces the standard deduction, or

(4) provides any exclusion, deduction, credit, or other benefit which results in a reduction in Federal revenues.

(b) WAIVER OR SUSPENSION.—This section may be waived or suspended in the House of Representatives or the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

By Mrs. MURRAY (for herself and Mr. DEWINE):

S. 1101. A bill to amend the Head Start Act to address the needs of victims of child abuse and neglect, children in foster care, children in kinship care, and homeless children; to the Committee on Health, Education, Labor, and Pensions.

Mrs. MURRAY. Mr. President, today I rise with Senator DEWINE to introduce the ''Improving Head Start Access for Homeless and Foster Children Act of 2005.''

Head Start has made significant strides in providing comprehensive services to low-income children. Since

Head Start was established in 1965, low-income preschool-aged children have received education, health, nutritional, social and developmental services they would not otherwise have access to. Unfortunately, children in greatest need of these services—homelss and foster youth—are not receiving those services at adequate levels.

It is estimated that 1.35 million children experience homelessness each year, and the mean income of a homeless family is at 46 percent of the Federal poverty level. Due to extreme poverty and the inherent instability of homelessness, children facing these conditions have considerably higher physical, mental and emotional difficulties. It is not surprising that homeless children are reported to be twice as likely to have a learning disability and three times as likely of having an emotional or behavioral problem that interferes with their learning.

These children also face significant barriers to participation in Head Start. These children lack transportation. They lack the necessary documentation. They suffer from the invisibility of homeless families which leaves the community unaware of the need to include these children in Head Start recruitment and prioritization. As a result of these and other barriers, only 15 percent of preschool children identified as homeless are enrolled in preschool programs of any kind, compared to the 57 percent of low-income preschool children. Currently only 2 percent of the more than 900,000 students served by Head Start are children identified as homeless. States report that 60 percent of homeless students are having difficulties gaining access to Head Start.

In addition to homeless children, kids in foster care face a unique set of challenges which both increase their need for the stability and educational services provided by Head Start. Tragically, these same challenges also hinder their ability to gain access to those services. Foster children are likely to suffer from both emotional and physical instability. With more than 500,000 children in foster care and a shortage of foster parents in this country, these children often go without the attention and advocacy that preschool age children need.

More than 40 percent of the children in homeless shelters are under the age of five. The first years of a child's life significantly impact personal development and future academic achievement. That is why I once again stand with Senator DEWINE to increase access to Head Start for homeless and foster children.

Our bill would ensure equal access and benefits from to early education and supportive services provided by Head Start for the Nation's poorest children. It would make all homeless children eligible for Head Start. The bill also allow homeless children to be immediately enrolled in Head Start by allowing them extra time to provided required documentation; providing that that documentation be in a reasonable time frame. And, our bill would require school, district liaisons to assist families in obtaining necessary documents. In addition, our bill increases Head Start's outreach to homeless and foster children. Further, the bill would reduce barriers by encouraging coordination between Head Start agencies and community programs that serve these vulnerable populations.

Again, I would like to thank my colleague Senator DEWINE for his many efforts in supporting homeless and foster youth. I urge the Senate to ensure that all children, despite their background and socioeconomic situation receive equal access to a quality education.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1101

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Improving Head Start Access for Homeless and Foster Children Act of 2005''.

SEC. 2. DEFINITIONS.

Section 637 of the Head Start Act (42 U.S.C. 9832) is amended by adding at the end the following:

''(18) The term 'family' means all persons living in the same household who are—

''(A) supported by the income of at least 1 parent or guardian (including any relative acting in place of a parent, such as a grandparent) of a child enrolling or participating in the Head Start program; and

''(B) related to the parent or guardian by blood, marriage, or adoption.

''(19) The term 'homeless child' means a child described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)).

''(20) The term 'homeless family' means the family of a homeless child.''.

SEC. 3. ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE.

(a) QUALITY IMPROVEMENT.—Section 640(a)(3) of the Head Start Act (42 U.S.C. 9835(a)(3)) is amended—

(1) in subparagraph (B)—

(A) in clause (ii), by inserting ''children in foster care, children referred to Head Start programs by child welfare agencies, '' after ''background''; and

(B) in clause (v), by inserting '', including collaboration to increase program participation by underserved populations, including homeless children, children in foster care, and children referred to Head Start programs by child welfare agencies'' before the period; and

(2) in subparagraph (C)—

(A) in clause (ii)(IV)—

(i) by inserting ''homeless children, children in foster care, children referred to Head Start programs by child welfare agencies, '' after ''dysfunctional families''; and

(ii) by inserting ''and families'' after ''communities'';

(B) in clause (v)—

(i) by inserting ''homeless children, children in foster care, children referred to Head Start programs by child welfare agencies,'' after ''dysfunctional families''; and

(ii) by inserting ''and families'' after ''communities'';

(C) by redesignating clause (vi) as clause (viii); and

(D) by inserting after clause (v) the following:

''(vi) To conduct outreach to homeless families and to increase Head Start program participation by homeless children.''.

(b) COLLABORATION GRANTS.—Section 640(a)(5)(C)(iv) of the Head Start Act (42 U.S.C. 9835(a)(5)(C)(iv)) is amended—

(1) by inserting ''child welfare (including child protective services),'' after ''child care,'';

(2) by inserting ''home-based services (including home visiting services),'' after ''family literacy services''; and

(3) by striking ''and services for homeless children'' and inserting ''services provided through grants under section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a) and parts B and E of title IV of the Social Security Act (42 U.S.C. 620 et seq. and 670 et seq.), and services for homeless children (including coordination of services with the Coordinator for Education of Homeless Children and Youth designated under section 722 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432)), children in foster care, and children referred to Head Start programs by child welfare agencies''.

(c) ALLOCATION OF FUNDS.—Section 640(g)(2) of the Head Start Act (42 U.S.C. 9835(g)(2)) is amended—

(1) in subparagraph (C)—

(A) by inserting ''organizations and agencies providing family support services, child abuse prevention services, protective services, and foster care, and'' after ''(including''; and

(B) by striking ''and public entities serving children with disabilities'' and inserting '', public entities, and individuals serving children with disabilities and homeless children (including local educational agency liaisons designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)))'';

(2) in subparagraph (F), by inserting ''and homeless families'' after ''low-income families''; and

(3) in subparagraph (H), by inserting ''(including the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)))'' after ''community involved''.

(d) ENROLLMENT OF HOMELESS CHILDREN.—Section 640 of the Head Start Act (42 U.S.C. 9835) is amended by adding at the end the following:

''(m) The Secretary shall issue regulations to remove barriers to the enrollment and participation of homeless children in Head Start programs. Such regulations shall require Head Start agencies to—

''(1) implement policies and procedures to ensure that homeless children are identified and prioritized for enrollment;

''(2) allow homeless children to apply to, enroll in, and attend Head Start programs while required documents, such as proof of residency, immunization and other medical records, birth certificates, and other documents, are obtained; and

''(3) coordinate individual Head Start programs with programs for homeless children (including efforts to implement subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.)).''.

SEC. 4. DESIGNATION OF HEAD START AGENCIES.

Section 641(d)(4) of the Head Start Act (42 U.S.C. 9836(d)(4)) is amended—

(1) in subparagraph (B), by inserting ''including providing services, to the extent

practicable, such as transportation, to enable such parents to participate'' after ''level''

(2) in subparagraph (E)(iv), by striking ''; and'' and inserting a semicolon;

(3) in subparagraph (F), by inserting ''and'' after the semicolon; and

(4) by adding at the end the following:

''(G) to meet the needs of homeless children (including, to the extent practicable, the transportation needs of such children), children in foster care, and children referred to Head Start programs by child welfare agencies;''.

SEC. 5. QUALITY STANDARDS; MONITORING OF HEAD START AGENCIES AND PROGRAMS.

Section 641A of the Head Start Act (42 U.S.C. 9836a) is amended—

(1) in subsection (a)(2)(B)—

(A) in clause (iii), by inserting ''homeless children, children being raised by grandparents or other relatives, children in foster care, children referred to Head Start Programs by child welfare agencies,'' after ''children with disabilities,''; and

(B) in clause (vi), by striking ''background and family structure of such children'' and inserting ''background, family structure of such children (including the number of children being raised by grandparents and other relatives and the number of children in foster care), and the number of homeless children''; and

(2) in subsection (c)(2)(C), by striking ''disabilities)'' and inserting ''disabilities, homeless children, children being raised by grandparents or other relatives, children in foster care, and children referred to Head Start programs by child welfare agencies)''.

SEC. 6. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

Section 642 of the Head Start Act (42 U.S.C. 9837) is amended—

(1) in subsection (b)—

(A) in paragraph (6), by inserting ''mental health services and treatment, domestic violence services, and'' after ''participating children'';

(B) in paragraph (10), by striking ''; and'' and inserting a semicolon;

(C) in paragraph (11)(B), by striking the period and inserting ''; and''; and

(D) by adding at the end the following:

''(12) inform foster parents or grandparents or other relatives raising children enrolled in the Head Start program, that they have a right to participate in programs, activities, or services carried out or provided under this subchapter.'';

(2) in subsection (c), by inserting '', the agencies responsible for administering section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a), parts B and E of title IV of the Social Security Act (42 U.S.C. 620 et seq. and 670 et seq.), and programs under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), homeless shelters, other social service agencies serving homeless children and families,'' after ''(42 U.S.C. 9858 et seq.)''; and

(3) in subsection (d)(2)—

(A) in subparagraph (A), by striking ''; and'' and inserting a semicolon;

(B) in subparagraph (B), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(C) collaborating to increase the program participation of homeless children.''.

SEC. 7. HEAD START TRANSITION.

Section 642A of the Head Start Act (42 U.S.C. 9837a) is amended—

(1) in paragraph (2), by inserting ''local educational agency liaisons designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)),'' after ''social workers'';

(2) in paragraph (5), by inserting ''and family outreach and support efforts under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.)'' before the semicolon;

(3) in paragraph (6), by striking ''; and '' and inserting a semicolon;

(4) in paragraph (7), by striking the period and inserting ''; and''; and

(5) by adding at the end the following:

''(8) developing and implementing a system to increase program participation of underserved populations, including homeless children.''.

SEC. 8. PARTICIPATION IN HEAD START PROGRAMS.

Section 645(a)(1) of the Head Start Act (42 U.S.C. 9840(a)(1)) is amended—

(1) in subparagraph (B), by striking clause (i) and inserting the following:

''(i) programs assisted under this subchapter may include—

''(I) participation of homeless children, children whose families are receiving public assistance, children in foster care, and children who have been referred to a Head Start program by a child welfare agency; or

''(II) to a reasonable extent, participation of other children in the area served who would benefit from such programs,

whose families do not meet the low-income criteria prescribed pursuant to subparagraph (A); and''; and

(2) in the flush matter following subparagraph (B), by adding at the end the following: ''A homeless child shall automatically be deemed to meet the low-income criteria.''.

SEC. 9. EARLY HEAD START PROGRAMS FOR FAMILIES WITH INFANTS AND TODDLERS.

Section 645A of the Head Start Act (42 U.S.C. 9840a) is amended—

(1) in subsection (b)—

(A) in paragraph (4), by inserting ''(including parenting skills training, training in basic child development, and training to meet the special needs of their children)'' after ''role as parents'';

(B) in paragraph (5)—

(i) by inserting ''(including home visiting and other home-based services)'' after ''with services'';

(ii) by striking ''disabilities)'' and inserting ''disabilities and homeless infants and toddlers (including homeless infants and toddlers with disabilities)); and

(iii) by striking ''services);'' and inserting ''services, housing services, family support services, and other child welfare services);''; and

(C) in paragraph (8), by inserting '', and the agencies responsible for administering section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a) and parts B and E of title IV of the Social Security Act (42 U.S.C. 620 et seq. and 670 et seq.)'' before the semicolon; and

(2) in subsection (g)(2)(B)—

(A) in clause (iii), by striking ''; and'' and inserting a semicolon;

(B) in clause (iv), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(v) providing professional development designed to increase the program participation of underserved populations, including homeless infants and toddlers, infants and toddlers in foster care, and infants and toddlers referred by child welfare agencies.''.

SEC. 10. TECHNICAL ASSISTANCE AND TRAINING.

Section 648 of the Head Start Act (42 U.S.C. 9843) is amended—

(1) in subsection (c)—

(A) in paragraph (2), by striking ''disabilities)'' and inserting ''disabilities, children in foster care, and children referred by child welfare agencies)'';

(B) in paragraph (5), by inserting '', including the needs of homeless children and their families'' before the semicolon;

(C) in paragraph (10), by striking ''; and'' and inserting a semicolon;

(D) in paragraph (11) by striking the period and inserting ''; and''; and

(E) by adding at the end the following:

''(12) assist Head Start agencies and programs in increasing the program participation of homeless children.''; and

(2) in subsection (e)—

(A) by inserting ''training for personnel providing services to children determined to be abused or neglected, children receiving child welfare services, and children referred by child welfare agencies,'' after ''language),''; and

(B) by inserting ''and family'' after ''community''.

SEC. 11. RESEARCH, DEMONSTRATIONS, AND EVALUATION.

Section 649 of the Head Start Act (42 U.S.C. 9844) is amended—

(1) in subsection (a)(1)(B), by striking ''disabilities)'' and inserting ''disabilities, homeless children, children who have been abused or neglected, and children in foster care''; and

(2) in subsection (c)(1)(B) by inserting '', including those that work with children with disabilities, children who have been abused and neglected, children in foster care, children and adults who have been exposed to domestic violence, children and adults facing mental health and substance abuse problems, and homeless children and families'' before the semicolon.

SEC. 12. REPORTS.

Section 650(a) of the Head Start Act (42 U.S.C. 9846(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''disabled and'' and inserting ''disabled children, homeless children, children in foster care, and'';

(2) in paragraph (8), by inserting ''homelessness, whether the child is in foster care or was referred by a child welfare agency,'' after ''background''; and

(3) in paragraph (12), by inserting ''substance abuse treatment, housing services,'' after ''physical fitness''.

Mr. DEWINE. Mr. President, today I join with Senator MURRAY to introduce the ''Improving Head Start Access for Homeless and Foster Children Act of 2005.'' The problems children who are homeless and in foster care face are daunting. I am grateful to Senator MURRAY for her leadership in this area. She and I worked on coordinating and improving access to services for homeless and foster children in the Individuals with Disabilities Education Act (IDEA), and I am glad to have had the opportunity to work with her again on this issue.

Who is more vulnerable than a child, under the age of five, living on the street or in a shelter? Who is more vulnerable than a child under five who has been abused and neglected? Just because young children cannot speak to their needs does not mean that they should have no voice. The hundreds of thousands of children in the United States who experience homelessness, separation from their parents, or abuse and neglect each year are in need of our help to ensure their needs are met. Unfortunately, their voices are all too often not heard and their needs go unmet. The bill we are introducing

today would serve as one more step, one move closer, to ensuring homeless and foster children are visible and their voices audible.

In the United States, on any given day, more than half a million children are in foster care, 20,000 of whom are in my home State of Ohio, alone. Of this group, 27 percent are age five and—under. In 2003, we also know that more than 900,000 children were found to be victims of child abuse or neglect. Children as young as six months old can suffer from long-term effects after experiencing or witnessing trauma. More than half of the children in foster care experience developmental delays. Children in foster care have three to seven times more chronic medical conditions, birth defects, emotional disorders, and academic failures than children of similar socioeconomic backgrounds who never enter foster care.

In its 2000 Report to Congress, the U.S. Department of Education noted that only 15 percent of preschool children identified as homeless were enrolled in preschool programs. In comparison, 57 percent of low-income preschool children participated in preschool in 1999. These statistics are especially troubling in light of the fact that over 40 percent of children living in shelters are under the age of five—an age when early childhood education can have a significant positive impact on a child's development and future academic achievement.

Head Start began in 1965, and since its inception, it has served more than 22 million of America's poorest children. This important program has helped these children build the skills they need to succeed in school and provide them with the services they need to be healthy and active in society. With its comprehensive services and family-centered approach, Head Start often offers the most appropriate educational setting for children and families experiencing homelessness and for children in foster care. By providing comprehensive health, nutrition, education, and social services, Head Start helps provide for the needs of these vulnerable children. And, with the passage of this bill, Head Start could help even more. Yet, programmatic and policy barriers continue to limit their access to and participation in Head Start. Some barriers to Head Start access are related to lack of coordination with child welfare agencies, high mobility, lack of required documentation, and lack of transportation.

Our bill would encourage Head Start grantees to reduce these barriers by directing them to increase their outreach to homeless and foster children. It also would encourage coordination between Head Start grantees and community service providers and homeless and foster children. It would increase the coordination for these populations as they transition out of Head Start to elementary school and increase reporting requirements. And, it would allow homeless children to be automatically eligible for Head Start.

Again, I thank my colleague, Senator MURRAY, for her leadership on this issue. I look forward to working with her to incorporate these ideas into the Head Start reauthorization bill currently being considered in the Health, Education, Labor, and Pensions Committee.

By Mr. ROCKEFELLER (for himself and Mr. BURNS):

S. 1102. A bill to extend the aviation war risk insurance program for 3 years; to the Committee on Commerce, Science, and Transportation.

Mr. ROCKEFELLER. Mr. President, I rise today to introduce legislation to mandate that the Federal Aviation Administration (FAA) extend the offering of war risk insurance through August 31, 2007, to our Nation's air carriers. I am very pleased that Senator BURNS, the Chairman of the Aviation Subcommittee, has agreed to co-sponsor this legislation.

Prior to September 11, 2001, war risk insurance was generally attainable and affordable for U.S. airlines. But, as we know, that day changed everything for America. No industry was more dramatically and fundamentally changed than the U.S. aviation industry. Recognizing that the commercial insurance market was not willing to provide war risk insurance to the airline industry in the immediate aftermath of September 11, Congress required the FAA provide war risk insurance to U.S. air carriers. We expected that in time U.S. air carriers would be able to obtain commercial war risk insurance. Unfortunately, the commercial war risk insurance market has priced its products beyond the means of our air carriers. According to the Air Transport Association, a return to the commercial market to obtain war risk insurance could cost U.S. airlines $600 million to $700 million a year, up from the current $140 million. Because of the lack of a vibrant competitive commercial market, last year, Congress extended its mandate that the FAA provide this insurance.

In a report to Congress, the FAA noted that even though war risk insurance is available in the private market, it is offered on terms that the industry just cannot afford. My bill would mandate the continuation of this vital program through August 31, 2008. In time, we should expect the private market to offer this coverage, but the reality is that the insurance industry continues to seek exorbitant rates for this coverage. The market has failed and it is the government's responsibility to provide this insurance as we have done in previous times of war.

The financial conditions faced by domestic airlines have seen little, if any, improvement. This legislation is supported by the low-cost carriers who are the healthiest companies in the industry, as they know that their profitability would be at risk if they were forced to go to commercial market for this insurance at this time. The current commercial market is simply unable to provide adequate war-risk coverage without unreasonable cost to airlines. For airlines, private coverage would mean annual payment increases of millions of dollars. Even with FAA insurance coverage, airlines are projected to lose $5.5 billion this year. This legislation will help the airlines weather their current financial crisis. If U.S. airlines were forced to go to the commercial market for this insurance, we would likely see more airlines in bankruptcy or cease to exist at all.

I believe that airlines remain a prime targets for terrorist acts. It is because of this threat that the commercial insurance market is unaffordable for the airlines. My legislation seeks to address a pressing problem facing one of the most critical industries in the country. My bill is one small but important measure that Congress can take to make sure our nation has a vibrant and financially secure airline industry.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1102

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF AIRLINE WAR RISK POLICIES AND TERRORISM COVERAGE.

(a) EXTENSION OF POLICIES.—Section 44302(f) of title 49, United States Code, is amended by striking ''August 31, 2005, and may extend through December 31, 2005,'' in paragraph (1) and inserting ''August 31, 2008, and may extend through December 31, 2008,''.

(b) EXTENSION OF TERRORISM COVERAGE.—Section 44303(b) of title 49, United States Code, is amended by striking ''December 31, 2005,'' and inserting ''December 31, 2008,''.

By Mr. BAUCUS (for himself, Mr. GRASSLEY, Mr. WYDEN, Mr. KYL, Mr. SCHUMER, Mr. CRAPO, Mr. PRYOR, Mr. JEFFORDS, and Mr. FRIST):

S. 1103. A bill to amend the Internal Revenue Code of 1986 to repeal the individual alternative minimum tax; to the Committee on Finance.

Mr. BAUCUS. Mr. President, this weekend, millions of Americans watched in suspense as Anakin Skywalker was lured to the Dark side and became Darth Vader. What millions of those same Americans may not be aware of is another Darth Vader lurking in our tax code; that is, the Alternative Minimum Tax, or AMT.

The AMT has many of the same qualities as Anakin Skywalker. The AMT was supposed to bring order and fairness to the tax world, but it eventually got off on the wrong path and became a threat to middle-income taxpayers. Both Skywalker and the AMT started off with great intentions, but eventually they went astray. And now we have the Darth Vader of the Tax Code bearing down on millions of unsuspecting families.

That is why I am pleased to join with my friend and Chairman CHUCK GRASSLEY, and our fellow committee colleagues, Senators WYDEN and KYL, to introduce legislation today that will repeal the individual AMT. Our bill simply says that individuals beginning January 1, 2006 will owe zero, I repeat, zero dollars under the AMT. Further, our bill provides that individuals with AMT credits can continue to use those up to 90 percent of their regular tax liability.

If we do not act, CRS estimates that in 2006, the family-unfriendly AMT will hit middle-income families earning $63,000 with three children. What was once meant to ensure that a handful of millionaires did not eliminate all taxes through excessive deductions is now meaning millions of working families, including thousands in my home State of Montana, are subject to a higher stealth tax. It is truly bizarre, Mr. Chairman, that we have designed a tax deeming more children ''excessive deductions'' and duly paying your State taxes a bad thing. Already, 5,000 Montana families pay a higher tax because of the AMT. But this number could multiply many times over if we do not act soon.

Not only is the AMT unfair and poorly targeted, it is an awful mess to figure out. The Finance Committee heard testimony today from our National Taxpayer Advocate, who has singled out this item as causing the most complexity for individual taxpayers, and also from a tax practitioner who has seen first-hand how difficult this is for her clients. We heard also from other witnesses who said it is time for repeal of the AMT.

Of course, repeal does not come without cost and that cost is significant even if we assume the 2001 and 2003 tax cuts are not extended. We are committed to working together to identify reasonable offsets. Certainly, I do not think we want a tax system unfairly placing a higher tax burden on millions of middle-income families with children. But it does not serve those families either if our budget deficit is significantly worse.

Again, I look forward to working with my colleagues on this AMT repeal bill will put an end to the Darth Vader of the tax code, without any sequels.

By Mrs. CLINTON (for herself, Mr. CHAFEE, Mr. NELSON of Florida, Ms. COLLINS, Mr. BINGAMAN, and Ms. CANTWELL):

S. 1104. A bill to amend titles XIX and XXI of the Social Security Act to provide States with the option to cover certain legal immigrants under the medicaid and State children's health insurance programs; to the Committee on Finance.

Mrs. CLINTON. Mr. President, I rise to introduce legislation that would allow States to use Federal funds to provide critical healthcare services to pregnant women and children. I want to thank Senator CHAFEE for his leadership on this important issue. I also want to recognize former Senator Bob Graham and the late Senator John Chafee, who championed this legislation for many years. Their commitment laid the groundwork for our bill introduction today.

This bill, the Immigrant Children's Health Improvement Act, is fundamentally about three things—fairness, fiscal relief, and financial savings.

I will start with fairness. All across New York and America, legal immigrants work hard, pay taxes, and exercise their civic responsibilities. I see examples of this every day in New York. They fight for our country in the military. They contribute to our Nation's competitiveness and economic growth. They help revitalize neighborhoods and small towns across the country. And most are fiercely proud to call themselves Americans.

Yet, in 1996, Congress denied safety net services to legal immigrants who had been in the country for less than 5 years. Today, Senator CHAFEE and I are here to introduce legislation that would take a first step towards correcting that injustice. The Immigrant Children's Health Improvement Act will allow States to use, Federal funds to make SCHIP, (the State Children's Health Improvement Program, and Medicaid available to pregnant women and children who are legal immigrants within the 5-year ban.

There is tremendous need for this legislation. An Urban Institute study found that children of immigrants are three times as likely to be in fair or poor health. While most children receive preventative medicine, such as vaccines, too often immigrant children do not. They are forced to receive their healthcare via emergency rooms—the least cost-effective place to provide care. To make matters worse, minor illnesses, which would be easily treated by a pediatrician, may snowball into life-threatening conditions.

This legislation is also a matter of good fiscal policy. Today, 19 States, including New York and Rhode Island, plus the District of Columbia, use State funds to provide healthcare services to legal immigrants within the 5-year waiting period. According to the most recent estimates from the Congressional Budget Office, at least 155,000 children and 60,000 adults are receiving these benefits. A total of 387,000 recent legal immigrants would be eligible to receive these services if their States opt to take advantage of the program.

And finally, this bill is about long-term healthcare cost savings. According to the National Bureau of Economic Research, covering uninsured children and pregnant women through Medicaid can reduce unnecessary hospitalization by 22 percent. Pregnant women who forgo prenatal care are likely to develop complications during pregnancy, which results in higher costs for postpartum care. And women without access to prenatal care are four times more likely to deliver low birth weight infants and seven times more likely to deliver prematurely than women who receive prenatal care, according to the Institute of Medicine. All of these health outcomes are costly to society and to the individuals involved.

Thank you for allotting me this time to speak on such an urgent matter. I look forward to working with you and the rest of my colleagues to enact this bill into law in the near future.

By Mr. DODD (for himself, Mr. COCHRAN, Mr. LEVIN, Mr. KENNEDY, and Mr. AKAKA):

S. 1105. A bill to amend title VI of the Higher Education Act of 1965 regarding international and foreign language studies; to the Committee on Health, Education, Labor, and Pensions.

Mr. DODD. Mr. President, I rise today with Senators COCHRAN, LEVIN, KENNEDY and AKAKA to introduce The International and Foreign Language Studies Act of 2005.

In recent years, foreign language needs have significantly increased throughout the Federal Government due to the presence of a wider range of security threats, the emergence of new nation states, and the globalization of the U.S. economy. Likewise, American business increasingly needs internationally experienced employees to compete in the global economy and to manage a culturally diverse workforce.

Currently, the U.S. government requires 34,000 employees with foreign language skills across 70 Federal agencies. These agencies have stated over the last few years, that translator and interpreter shortfalls have adversely affected agency operations and hindered U.S. military, law enforcement, intelligence, and diplomatic efforts.

Despite our growing needs, the number of undergraduate foreign language degrees conferred is only one percent of all degrees. Only one third of undergraduates report that they are taking foreign language courses and only 11 percent report that they have studied abroad.

At a time when our security needs are more important than ever, at a time when our economy demands that we enter new markets, and at a time when the world requires us to engage in diplomacy in more thoughtful and considered ways, it is extremely important that we have at our disposal a multilingual, multicultural, internationally experienced workforce. The Dodd-Cochran International and Foreign Language Studies Act attempts to do this in a number of ways.

The Dodd-Cochran International and Foreign Language Studies Act will increase undergraduate study abroad as a means to enhance foreign language proficiency and deepen cultural knowledge. The bill will reinstate undergraduate eligibility for Foreign Language and Area Studies Fellowships. The bill will encourage the Department of Education to engage in the collection, analysis and dissemination of

data on international education and foreign language needs so that we know and understand exactly what our needs in this area are. Within the Institute for International and Public Policy, the bill provides scholarships and creates an ''expert track'' for doctoral students in critical areas, disciplines and languages. And, most importantly, the Dodd-Cochran bill will demonstrate our nation's commitment to increasing the foreign language proficiency and international expertise of our citizens by increasing the amount appropriated to international education, including international business education, to allow for more opportunities for more students.

The Higher Education Act authorizes the Federal Government's major activities as they relate to financial assistance for students attending colleges and universities. It provides aid to institutions of higher education, services to help students complete high school and enter and succeed in postsecondary education, and mechanisms to improve the training of our emerging workforce. This bill will help fulfill that mission.

Foreign language skills and international study are vital to secure the future economic welfare of the United States in an increasingly international economy. Foreign language skills and international study are also vital for the nation to meet 21st century security challenges properly and effectively, especially in light of the terrorist attacks on September 11, 2001.

I hope our colleagues who are not cosponsoring this bill will give it serious consideration. By working together, I believe that the Senate as a body can act to ensure that we strengthen our Nation's security and economy by capitalizing on the talents and dreams of those who wish to enter the international arena.

Mr. KENNEDY. Mr. President, it is a privilege to join my colleagues Senators DODD, COCHRAN, LEVIN and AKAKA in introducing the International and Foreign Languages Studies Act to increase study abroad and increase foreign language study here at home for undergraduate and graduate students.

The study of foreign language and foreign cultures is more important than ever. Yet in 2003, the number of fellowships awarded for such studies was 30 percent less than the high point in 1967. Only 40 percent of undergraduates report taking any foreign language coursework and only 20 percent have studied abroad.

Learning another language is more than a desirable educational goal. It is a national security goal as well. We need more students to pursue other languages, especially the lesser taught languages like Chinese, Japanese, Farsi, Dari Persian and Arabic, which will be critical for international business as well as for national defense.

In addition to supporting language studies, the bill builds bridges with overseas universities to promote research and training abroad for American students. It supports the expansion of the Centers for International Business Education, and increases the scope of the Institute for International and Public Policy by creating an accelerated track for PhD students in key areas.

This bill is an important part of America's participation in globalization, and I urge my colleagues to strongly support it.

By Mr. ALLARD (for himself and Mr. SALAZAR):

S. 1106. A bill to authorize the construction of the Arkansas Valley Conduit in the State of Colorado, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. ALLARD. Mr. President, it is with much excitement and anticipation that I, along with Congresswoman MARILYN MUSGRAVE in the House of Representatives, introduce legislation known as ''The Arkansas Valley Conduit.'' This bill will ensure the expedited construction of a pipeline that will provide the small, financially strapped towns and water agencies along the Arkansas River with safe, clean, affordable water. By creating a Federal-Local cost share to help offset the costs of constructing the Conduit, this legislation will protect the future of Southeastern Colorado. First introduced during the 107th Session of Congress and subsequently in the 108th, we have redrafted the legislation for the 109th Session to create a stronger stand-alone bill. Congresswoman MUSGRAVE and I have worked hard to craft it so that it meets the needs of a region of Colorado that has suffered from decades of inadequate drinking water supplies. On the heels of one of the worst droughts in Colorado history, the Conduit will provide a dependable source of water to communities—water that will allow these communities to grow and prosper.

By way of background, the Arkansas Valley Conduit was originally authorized by Congress forty years ago as a part of the Fryingpan-Arkansas Project. Due to the authorizing statute's lack of a cost share provision and Southeastern Colorado's depressed economic status, the Conduit was never built. Until recently, the region has been fortunate to enjoy an economical and safe alternative to pipeline-transportation of Project Water: the Arkansas River. Sadly, the water quality in the Arkansas has degraded to a point where it is no longer economical to use as a means of transport. At the same time, the Federal Government has continued to strengthen its unfunded water quality standards.

Several years ago, in an effort to resurrect the Conduit, Senator Ben Nighthorse Campbell and I worked to secure $200,000 for a Bureau of Reclamation Re-evaluation Statement on the project. Thanks to this effort, the people of the valley began to realize that the Conduit may one day be more than just a pipedream, and that Congress was serious about fulfilling the promise of the Fryingpan-Arkansas Project.

Our legislation calls for a 80/20 Federal/Local cost share. This is a sizeable sum, but is a far cry from the estimated $640 million it would take to build new treatment facilities for each of the communities if the Conduit was not built. It requires cooperation of the Department of the Interior, U.S. Army Corps of Engineers and local project participants.

The Arkansas Valley Conduit will deliver fresh, clean water to dozens of valley communities and tens-of-thousands of people along the river. Local community participants continue to explore options for financing their share of the costs, and are working hard to develop the organization that will oversee the Conduit project. I applaud those in the community who have worked so hard for the past several years to make the Conduit a reality. Upon its completion, it will stand as testament to a pioneering vision and commitment to sensible water policy.

With the help of my colleagues, the promise made by Congress forty years ago to the people of Southeastern Colorado, will finally become a reality.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1106

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Arkansas Valley Conduit Act''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) Public Law 87–590 (76 Stat. 389) authorized the Fryingpan-Arkansas project, including construction of the Arkansas Valley Conduit, a pipeline extending from Pueblo Reservoir, Pueblo, Colorado to Lamar, Colorado;

(2) the Arkansas Valley Conduit was never built, partly because of the inability of local communities to pay 100 percent of the costs of construction of the Arkansas Valley Conduit;

(3) in furtherance of the goals and authorization of the Fryingpan-Arkansas project, it is necessary to provide separate authorization for the construction of the Arkansas Valley Conduit;

(4) the construction of the Arkansas Valley Conduit is necessary for the continued viability of southeast Colorado; and

(5) the Arkansas Valley Conduit would provide the communities of southeast Colorado with safe, clean, and affordable water.

(b) PURPOSES.—The purposes of this Act are—

(1) to ensure a safe and adequate water supply for the beneficiaries identified in Public Law 87–590 (76 Stat. 389) and related authorizing documents and subsequent studies; and

(2) to establish a cost-sharing requirement for the construction of the Arkansas Valley Conduit.

SEC. 3. ARKANSAS VALLEY CONDUIT, COLORADO.

(a) IN GENERAL.—The Secretary of the Interior (referred to in this Act as the ''Secretary'') shall plan, design, and construct a water delivery pipeline, and branch lines as needed, from a location in the vicinity (as determined by the Secretary) of Pueblo Reservoir, Pueblo, Colorado to a location in the vicinity (as determined by the Secretary) of Lamar, Colorado, to be known as the ''Arkansas Valley Conduit'', without regard to the cost-ceiling for the Fryingpan Arkansas Project established under section 7 of Public Law 87–590 (76 Stat. 393).

(b) LEAD NON-FEDERAL ENTITY.—

(1) DESIGNATION.—The Southeastern Colorado Water Conservancy District, or a designee of the Southeastern Colorado Water Conservancy District that is recognized under State law as an entity that has taxing authority, shall be the lead non-Federal entity for the Arkansas Valley Conduit.

(2) DUTIES.—The lead non-Federal entity shall—

(A) act as the official agent of the Arkansas Valley Conduit;

(B) pay—

(i) the non-Federal share of any increased costs required under subsection (e)(2)(C); and

(ii) the non-Federal share of construction costs under subsection (e)(2); and

(C) pay costs relating to, and perform, the operations, maintenance, and replacement of the Arkansas Valley Conduit.

(c) COOPERATION.—To the maximum extent practicable during the planning, design, and construction of the Arkansas Valley Conduit, the Secretary shall collaborate and cooperate with the United States Army Corps of Engineers, other Federal agencies, and non-Federal entities.

(d) COST ESTIMATE.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary, in cooperation with the lead non-Federal entity, shall prepare an estimate of the total costs of constructing the Arkansas Valley Conduit.

(2) ACTUAL COSTS.—If the actual costs of construction exceed the estimated costs, the difference between the actual costs and the estimated costs shall be apportioned in accordance with subsection (e)(2)(C).

(3) AGREEMENT ON ESTIMATE AND DESIGN.—The estimate prepared under paragraph (1), and the final design for the Arkansas Valley Conduit, shall be—

(A) subject to the agreement of the Secretary and the lead non-Federal entity;

(B) developed in cooperation with the lead non-Federal entity; and

(C) consistent with commonly accepted engineering practices.

(e) COST-SHARING REQUIREMENT.—

(1) FEDERAL SHARE.—

(A) IN GENERAL.—The Federal share of the total costs of the planning, design, and construction of the Arkansas Valley Conduit shall be 80 percent.

(B) INCREASED COSTS.—The Federal share of any increased costs that are a result of fundamental design changes conducted at the request of any person other than the lead non-Federal entity shall be 100 percent.

(2) NON-FEDERAL SHARE.—

(A) NON-FEDERAL SHARE.—The non-Federal share of the total costs of the planning, design, and construction of the Arkansas Valley Conduit shall be 20 percent.

(B) FORM.—Up to 100 percent of the non-Federal share may be in the form of in-kind contributions or tasks that are identified in the cost estimate prepared under subsection (d)(1) as necessary for the planning, design, and construction of the Arkansas Valley Conduit.

(C) INCREASED COSTS.—

(i) FUNDAMENTAL DESIGN CHANGES.—The lead non-Federal entity shall pay any increased costs that are a result of fundamental design changes conducted at the request of the lead non-Federal entity.

(ii) OTHER CAUSES.—For any increased costs that are from causes (including increased supply and labor costs and unforseen field changes) other than fundamental design changes referred to in clause (i) and paragraph (1)(B)—

(I) the Federal share shall be 80 percent; and

(II) the non-Federal share shall be 20 percent.

(D) UP-FRONT PAYMENT.—Not later than 180 days after the date of completion of the cost-estimate under subsection (d), the Secretary and the non-Federal entity may enter into an agreement under which—

(i) the Secretary pays 100 percent of the non-Federal share on behalf of the non-Federal entity; and

(ii) the non-Federal entity reimburses the Secretary for the funds paid by the Secretary in accordance with the terms of the agreement.

(E) TIMING.—Except as provided in subparagraph (D), the non-Federal share shall be paid in accordance with a schedule established by the Secretary that—

(i) takes into account the capability of the applicable non-Federal entities to pay; and

(ii) provides for full payment of the non-Federal share by a date that is not later than 50 years after the date on which the Arkansas Valley Conduit is capable of delivering water.

(f) TRANSFER ON COMPLETION.—On completion of the Arkansas Valley Conduit, as certified in an agreement between the Secretary and the lead non-Federal entity, the Secretary shall transfer ownership of the Arkansas Valley Conduit to the lead non-Federal entity.

(g) APPLICABLE LAW.—Except as provided in this Act, Public Law 87–590 (76 Stat. 389) and related authorizing documents and subsequent studies shall apply to the planning, design, and construction of the Arkansas Valley Conduit.

(h) WATER RIGHTS.—Nothing in this Act affects any State water law or interstate compact.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this Act.

(b) LIMITATION.—Amounts made available under subsection (a) shall not be used for the operation or maintenance of the Arkansas Valley Conduit.

By Mr. ENZI (for himself and Mr. KENNEDY):

S. 1107. A bill to reauthorize the Head Start Act, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Mr. ENZI. Mr. President, I rise today to introduce the Head Start Improvements for School Readiness Act with my colleague, Senator KENNEDY.

This legislation would reauthorize the Head Start program and make important improvements to the Head Start Act and help ensure that today's children receiving services by this important program will be better prepared for success in the future. Success in life depends a great deal on the preparation for that success, which comes early in life. It is well documented in early childhood education research that students who are not reading well by the third grade will struggle with reading most of their lives. That is why the Head Start program is so important. Head Start provides early education for thousands of children each year, most of whom would not have the opportunity to attend preschool programs elsewhere.

The Head Start program is important generally, but there is some room for improvement. Earlier this year the Senate Committee on Health, Education, Labor and Pensions held a hearing on the administration of the Head Start program, and found that a number of changes might help improve the performance of the program overall.

The first change required by this program would be providing for all Head Start grantees found to have a deficiency to recompete the next time the program's grant is up for renewal. The bill would also require grantees to recompete if they have not resolved issues of noncompliance within 120 days, or a longer time specified by the Secretary of Health and Human Services. This will create an important incentive for programs to operate at their best, which is in the best interest of our children.

The bill would also shorten the timeline for programs to be terminated. In some instances, Head Start grantees have been found to be operating programs that are unsafe, or improperly using Federal funds. In these cases, the Administration has acted to terminate these programs. Unfortunately, under the law, Head Start grantees have been able to appeal these rulings. This process can be lengthy, some examples exceed 600 days, or almost two years, before a final ruling is made. In order to address this issue, and put the health and education of children first, the legislation we introduce today would limit the time available for Head Start grantees to appeal decisions made by the Secretary to terminate grants.

A third improvement is to clarify the role of the governing body and policy councils in individual Head Start programs. After careful review, the Committee found that many of the important fiscal and legal responsibilities of Head Start grantees were not explicitly assigned to either the policy council or the governing body, or in many instances, were assigned equally to both. In order to clarify the shared governance model, the bill we introduce today would clarify the responsibilities of the governing body and the policy council for each Head Start grantee. We believe this will lead to more consistent, high quality fiscal and legal management, which will ensure these programs are serving children in the best way they can.

I wish to thank my colleagues on the Committee, particularly Senator KENNEDY, for their help in drafting this bipartisan legislation to reauthorize the Head Start Act. I believe the legislation we are introducing today will improve the quality and effectiveness of the Head Start program for generations of children to come.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1107

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Head Start Improvements for School Readiness Act''.

SEC. 2. STATEMENT OF PURPOSE.

Section 636 of the Head Start Act (42 U.S.C. 9831) is amended by inserting ''educational instruction in prereading skills, premathematics skills, and language and through'' after ''low-income children through''.

SEC. 3. DEFINITIONS.

Section 637 of the Head Start Act (42 U.S.C. 9832) is amended—

(1) in paragraph (2), by inserting ''(including a community-based organization)'' after ''nonprofit'';

(2) in paragraph (3)(C), by inserting '', including financial literacy,'' after ''Parent literacy'';

(3) in paragraph (17), by striking ''Mariana Islands,'' and all that follows and inserting ''Mariana Islands.''; and

(4) by adding at the end the following:

''(18) The term 'homeless child' means a child described in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)).

''(19) The term 'limited English proficient', used with respect to a child, means a child—

''(A) who is enrolled or preparing to enroll in a Head Start program, Early Head Start program, or other early care and education program;

''(B)(i) who was not born in the United States or whose native language is a language other than English;

''(ii)(I) who is a Native American, Alaska Native, or a native resident of a United States territory; and

''(II) who comes from an environment where a language other than English has had a significant impact on the child's level of English language proficiency; or

''(iii) who is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and

''(C) whose difficulty in speaking or understanding the English language may be sufficient to deny such child—

''(i) the ability to successfully achieve in a classroom in which the language of instruction is English; or

''(ii) the opportunity to participate fully in society.

''(20) The term 'deficiency' means—

''(A) a systemic or substantial failure of an agency in an area of performance that the Secretary determines involves—

''(i) a threat to the health, safety, or civil rights of children or staff;

''(ii) a denial to parents of the exercise of their full roles and responsibilities related to program operations;

''(iii) a failure to comply with standards related to early childhood development and health services, family and community partnerships, or program design and management;

''(iv) the misuse of funds under this subchapter;

''(v) loss of legal status or financial viability, loss of permits, debarment from receiving Federal grants or contracts, or the improper use of Federal funds; or

''(vi) failure to meet any other Federal or State requirement that the agency has shown an unwillingness or inability to correct, after notice from the Secretary, within the period specified;

''(B) systemic failure of the board of directors of an agency to fully exercise its legal and fiduciary responsibilities;

''(C) substantial failure of an agency to meet the administrative requirements of section 644(b);

''(D) failure of an agency to demonstrate that the agency attempted to meet the coordination and collaboration requirements with entities described in section 640(a)(5)(D)(iii)(I); or

''(E) having an unresolved area of noncompliance.

''(21) The term 'unresolved area of noncompliance' means failure to correct a noncompliance item within 120 days, or within such additional time (if any) authorized by the Secretary, after receiving from the Secretary notice of such noncompliance item, pursuant to section 641A(d).''.

SEC. 4. FINANCIAL ASSISTANCE FOR HEAD START PROGRAMS.

Section 638 of the Head Start Act (42 U.S.C. 9833) is amended by inserting ''for a period of 5 years'' after ''provide financial assistance to such agency''.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

Section 639 of the Head Start Act (42 U.S.C. 9834) is amended to read as follows:

''SEC. 639. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated for carrying out the provisions of this subchapter $7,215,000,000 for fiscal year 2006, $7,515,000,000 for fiscal year 2007, $7,815,000,000 for fiscal year 2008, and such sums as may be necessary for each of fiscal years 2009 and 2010.

''(b) SPECIFIC PROGRAMS.—From the amount appropriated under subsection (a), the Secretary shall make available to carry out research, demonstration, and evaluation activities, including longitudinal studies under section 649, not more than $20,000,000 for fiscal year 2006, and such sums as may be necessary for each of fiscal years 2007 through 2010, of which not more than $7,000,000 for each of fiscal years 2006 through 2010 shall be available to carry out impact studies under section 649(g).''.

SEC. 6. ALLOTMENT OF FUNDS.

(a) ALLOTMENT.—Section 640(a) of the Head Start Act (42 U.S.C. 9835(a)) is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (A) and inserting the following:

''(A) Indian Head Start programs, services for children with disabilities, and migrant and seasonal Head Start programs, except that—

''(i) subject to the availability of appropriations, the Secretary shall reserve for each fiscal year for use by Indian Head Start and migrant and seasonal Head Start programs (referred to in this subparagraph as 'covered programs'), on a nationwide basis, a sum that is the total of not less than 4 percent of the amount appropriated under section 639 for that fiscal year (for Indian Head Start programs), and not less than 5 percent of that appropriated amount (for migrant and seasonal Head Start programs), except that—

''(I) if reserving the specified percentages for Indian Head Start programs and migrant and seasonal Head Start programs would reduce the number of children served by Head Start programs, relative to the number of children served on the date of enactment of the Head Start Improvements for School Readiness Act, taking into consideration an appropriate adjustment for inflation, the Secretary shall reserve percentages that approach, as closely as practicable, the specified percentages and that do not cause such a reduction; and

''(II) notwithstanding any other provision of this subparagraph, the Secretary shall reserve for each fiscal year for use by Indian Head Start programs and by migrant and seasonal Head Start programs, on a nationwide basis, not less than the amount that was obligated for use by Indian Head Start programs and by migrant and seasonal Head Start programs for the previous fiscal year;

''(ii) after ensuring that each grant recipient for a covered program has received an amount sufficient to enable the grant recipient to serve the same number of children in Head Start programs as were served by such grant recipient on the date of enactment of the Head Start Improvements for School Readiness Act, taking into consideration an appropriate adjustment for inflation, and after allotting the funds reserved under paragraph (3)(A) as specified in paragraph (3)(D), the Secretary shall distribute the remaining funds available under this subparagraph for covered programs, by—

''(I) distributing 65 percent of the remainder by giving priority to grant recipients in the States serving the smallest percentages of eligible children (as determined by the Secretary); and

''(II) distributing 35 percent of the remainder on a competitive basis;'';

(B) by striking subparagraph (C) and inserting the following:

''(C) training and technical assistance activities that are sufficient to meet the needs associated with program expansion and to foster program and management improvement activities as described in section 648, in an amount for each fiscal year that is equal to 2 percent of the amount appropriated under section 639 for such fiscal year, of which—

''(i) 50 percent shall be made available to Head Start agencies to use directly, or by establishing local or regional agreements with community experts, colleges and universities, or private consultants, for any of the following training and technical assistance activities, including—

''(I) activities that ensure that Head Start programs meet or exceed the program performance standards described in section 641A(a)(1);

''(II) activities that ensure that Head Start programs have adequate numbers of trained, qualified staff who have skills in working with children and families, including children and families who are limited English proficient and children with disabilities;

''(III) activities to pay expenses, including direct training for expert consultants working with any staff, to improve the management and implementation of Head Start services and systems;

''(IV) activities that help ensure that Head Start programs have qualified staff who can promote language skills and literacy growth of children and who can provide children with a variety of skills that have been identified as predictive of later reading achievement, school success, and other educational skills described in section 641A;

''(V) activities to improve staff qualifications and to assist with the implementation of career development programs and to encourage the staff to continually improve their skills and expertise, including developing partnerships with programs that recruit, train, place, and support college students in Head Start centers to deliver an innovative early learning program to preschool children;

''(VI) activities that help local programs ensure that the arrangement, condition, and implementation of the learning environments in Head Start programs are conducive to providing effective program services to children and families;

''(VII) activities to provide training necessary to improve the qualifications of Head Start staff and to support staff training, child counseling, health services, and other services necessary to address the needs of children enrolled in Head Start programs, including children from families in crises, children who experience chronic violence or homelessness, and children who experience substance abuse in their families, and children under 3 years of age, where applicable;

''(VIII) activities to provide classes or in-service-type programs to improve or enhance parenting skills, job skills, adult and family literacy, including financial literacy, or training to become a classroom aide or bus driver in a Head Start program;

''(IX) additional activities deemed appropriate to the improvement of Head Start agencies' programs, as determined by the agencies' technical assistance and training plans; or

''(X) any other activities regarding the use of funds as determined by the Secretary;

''(ii) 50 percent shall be made available to the Secretary to support a regional or State system of early childhood education training and technical assistance, and to assist local programs (including Indian Head Start programs and migrant and seasonal Head Start programs) in meeting the standards described in section 641A(a)(1); and

''(iii) not less than $3,000,000 of the amount in clause (ii) appropriated for such fiscal year shall be made available to carry out activities described in section 648(d)(4);'';

(C) in subparagraph (D), by striking ''agencies;'' and inserting ''agencies);''; and

(D) by adding at the end of the flush matter at the end the following: ''The Secretary shall require each Head Start agency to report at the end of each budget year on how funds provided to carry out subparagraph (C)(i) were used.'';

(2) in paragraph (3)—

(A) in subparagraph (A)(i)(I)—

(i) by striking ''60 percent of such excess amount for fiscal year 1999'' and all that follows through ''2002, and''; and

(ii) by inserting before the semicolon the following: '', 30 percent of such excess amount for fiscal year 2006, and 40 percent of such excess amount for each of fiscal years 2007 through 2010'';

(B) in subparagraph (B)—

(i) in clause (i), by striking ''performance standards'' and all that follows and inserting ''standards and measures pursuant to section 641A.'';

(ii) by striking clause (ii) and inserting the following:

''(ii) Ensuring that such programs have adequate numbers of qualified staff, and that such staff is furnished adequate training, including training to promote the development of language skills, prematheatics skills, and prereading in young children and in working with limited English proficient children, children in foster care, children referred by child welfare services, and children with disabilities, when appropriate.'';

(iii) by striking clause (iii) and inserting the following:

''(iii) Developing and financing the salary scales and benefits standards under section 644(a) and section 653, in order to ensure that salary levels and benefits are adequate to attract and retain qualified staff for such programs.'';

(iv) by striking clause (iv) and inserting the following:

''(iv) Using salary increases to—

''(I) assist with the implementation of quality programs and improve staff qualifications;

''(II) ensure that staff can promote the language skills and literacy growth of children and can provide children with a variety of skills that have been identified, through scientifically based early reading research, as predictive of later reading achievement, as well as additional skills identified in section 641A(a)(1)(B)(ii); and

''(III) encourage the staff to continually improve their skills and expertise by informing the staff of the availability of Federal and State incentive and loan forgiveness programs for professional development.'';

(v) in clause (v), by inserting '', including collaborations to increase program participation by underserved populations of eligible children'' before the period; and

(vi) by striking clauses (vii) and (viii) and inserting the following:

''(vii) Providing assistance to complete postsecondary coursework including scholarships or other financial incentives, such as differential and merit pay, to enable Head Start teachers to improve competencies and the resulting child outcomes.

''(viii) Promoting the regular attendance and stability of all Head Start children with particular attention to highly mobile children, including children from migrant and seasonal farmworking families (where appropriate), homeless children, and children in foster care.

''(ix) Making such other improvements in the quality of such programs as the Secretary may designate.'';

(C) in subparagraph (C)—

(i) in clause (i)(I), by striking the last sentence and inserting ''Salary increases, in excess of cost-of-living allowances, provided with such funds shall be subject to the specific standards governing salaries and salary increases established pursuant to section 644(a).'';

(ii) in clause (ii)—

(I) in the matter preceding subclause (I), by striking ''education performance'' and inserting ''additional educational'';

(II) in subclause (I), by inserting '', prereading,'' after ''language'';

(III) by striking subclause (II) and inserting the following:

''(II) to help limited English proficient children attain the knowledge, skills, and development specified in section 641A(a)(1)(B)(ii) and to promote the acquisition of the English language by such children and families;''; and

(IV) by striking subclause (IV) and inserting the following:

''(IV) to provide education and training necessary to improve the qualifications of Head Start staff, particularly assistance to enable more instructors to be fully competent and to meet the degree requirements under section 648A(a)(2)(A), and to support staff training, child counseling, and other services necessary to address the challenges of children participating in Head Start programs, including children from immigrant, refugee, and asylee families, children from families in crisis, homeless children, children in foster care, children referred to Head Start programs by child welfare agencies, and children who are exposed to chronic violence or substance abuse.'';

(iii) in clause (iii), by inserting '', educational staff who have the qualifications described in section 648A(a),'' after ''ratio'';

(iv) in clause (v), by striking ''programs, including'' and all that follows and inserting ''programs.'';

(v) by redesignating clause (vi) as clause (ix); and

(vi) by inserting after clause (v) the following:

''(vi) To conduct outreach to homeless families in an effort to increase the program participation of eligible homeless children.

''(vii) To conduct outreach to migrant and seasonal farmworking families and families with limited English proficient children.

''(viii) To partner with institutions of higher education and nonprofit organizations, including community-based organizations, that recruit, train, place, and support college students to serve as mentors and reading coaches to preschool children in Head Start programs.

''(ix) To upgrade the qualifications and skills of educational personnel to meet the professional standards described in section 648A(a)(1), including certification and licensure as bilingual education teachers and for other educational personnel who serve limited English proficient students.'';

(3) in paragraph (4)—

(A) in subparagraph (A), by striking ''1998'' and inserting ''2005''; and

(B) by striking subparagraph (B) and inserting the following:

''(B) any amount available after all allotments are made under subparagraph (A) for such fiscal year shall be distributed as follows:

''(i) Each State shall receive an amount sufficient to serve the same number of children in Head Start programs in each State as were served on the date of enactment of the Head Start Improvements for School Readiness Act, taking into consideration an appropriate adjustment for inflation.

''(ii) After ensuring that each State has received the amount described in clause (i) and after allotting the funds reserved under paragraph (3)(A) as specified in paragraph (3)(D), the Secretary shall distribute the remaining balance, by—

''(I) distributing 65 percent of the balance by giving priority to States serving the smallest percentages of eligible children (as determined by the Secretary); and

''(II) distributing 35 percent of the balance on a competitive basis.'';

(4) in paragraph (5)—

(A) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(B) by striking subparagraphs (B), (C), and (D) and inserting the following:

''(B)(i) From the reserved sums, the Secretary shall award a collaboration grant to each State to facilitate collaboration between Head Start agencies and entities (including the State) that carry out other activities designed to benefit low-income families and children from birth to school entry.

''(ii) Grants described in clause (i) shall be used to—

''(I) encourage Head Start agencies to collaborate with entities involved in State and local planning processes to better meet the needs of low-income families and children from birth to school entry;

''(II) encourage Head Start agencies to coordinate activities with the State agency responsible for administering the State program carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) and entities providing resources and referral services in the State to make full-working-day and full calendar year services available to children;

''(III) promote alignment of Head Start services with State early learning and school readiness goals and standards, including the Head Start child outcome framework;

''(IV) promote better linkages between Head Start agencies and other child and family agencies, including agencies that provide health, mental health, or family services, or other child or family supportive services; and

''(V) carry out the activities of the State Director of Head Start Collaboration authorized in subparagraph (D).

''(C) In order to improve coordination and delivery of early education services to children in the State, a State that receives a grant under subparagraph (B) shall—

''(i) appoint an individual to serve as the State Director of Head Start Collaboration;

''(ii) ensure that the State Director of Head Start Collaboration holds a position with sufficient authority and access to ensure that the collaboration described in subparagraph (B) is effective and involves a range of State agencies; and

''(iii) involve the State Head Start Association in the selection of the Director and involve the Association in determinations relating to the ongoing direction of the collaboration office.

''(D) The State Director of Head Start Collaboration, after consultation with the State Advisory Council described in subparagraph (E), shall—

''(i) not later than 1 year after the date of enactment of the Head Start Improvements for School Readiness Act, conduct an assessment that—

''(I) addresses the needs of Head Start agencies in the State with respect to collaborating, coordinating services, and implementing State early learning and school readiness goals and standards to better serve children enrolled in Head Start programs in the State;

''(II) shall be updated on an annual basis; and

''(III) shall be made available to the general public within the State;

''(ii) assess the availability of high quality prekindergarten services for low-income children in the State;

''(iii) develop a strategic plan that is based on the assessment described in clause (i) that will—

''(I) enhance collaboration and coordination of Head Start services with other entities providing early childhood programs and services (such as child care and services offered by museums), health care, mental health care, welfare, child protective services, education and community service activities, family literacy services, reading readiness programs (including such programs offered by public and school libraries), services relating to children with disabilities, other early childhood programs and services for limited English proficient children and homeless children, and services provided for children in foster care and children referred to Head Start programs by child welfare agencies, including agencies and State officials responsible for such services;

''(II) assist Head Start agencies to develop a plan for the provision of full-working-day, full calendar year services for children enrolled in Head Start programs who need such care;

''(III) assist Head Start agencies to align services with State early learning and school readiness goals and standards and to facilitate collaborative efforts to develop local school readiness standards; and

''(IV) enable agencies in the State to better coordinate professional development opportunities for Head Start staff, such as by—

''(aa) assisting 2- and 4-year public and private institutions of higher education to develop articulation agreements;

''(bb) awarding grants to institutions of higher education to develop model early childhood education programs, including practica or internships for students to spend time in a Head Start or prekindergarten program;

''(cc) working with local Head Start agencies to meet the degree requirements described in section 648A(a)(2)(A), including providing distance learning opportunities for Head Start staff, where needed to make higher education more accessible to Head Start staff; and

''(dd) enabling the State Head Start agencies to better coordinate outreach to eligible families;

''(iv) promote partnerships between Head Start agencies, State governments, and the private sector to help ensure that preschool children from low-income families are receiving comprehensive services to prepare the children to enter school ready to learn;

''(v) consult with the chief State school officer, local educational agencies, and providers of early childhood education and care to conduct unified planning regarding early care and education services at both the State and local levels, including undertaking collaborative efforts to develop and make improvements in school readiness standards;

''(vi) promote partnerships (such as the partnerships involved with the Free to Grow initiative) between Head Start agencies, schools, law enforcement, and substance abuse and mental health treatment agencies to strengthen family and community environments and to reduce the impact on child development of substance abuse, child abuse, domestic violence, and other high risk behaviors that compromise healthy development;

''(vii) promote partnerships between Head Start agencies and other organizations in order to enhance the Head Start curriculum, including partnerships to promote inclusion of more books in Head Start classrooms and partnerships to promote coordination of activities with the Ready-to-Learn Television program carried out under subpart 3 of part D of title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6775 et seq.); and

''(viii) identify other resources and organizations (both public and private) for the provision of in-kind services to Head Start agencies in the State.

''(E)(i) The Governor of the State shall designate or establish a council to serve as the State advisory council on collaboration on early care and education activities for children from birth to school entry (in this subchapter referred to as the 'State Advisory Council').

''(ii) The Governor may designate an existing entity to serve as the State Advisory Council, if the entity includes representatives described in subclauses (I) through (XXIV) of clause (iii).

''(iii) Members of the State Advisory Council shall include, to the maximum extent possible—

''(I) the State Director of Head Start Collaboration;

''(II) a representative of the appropriate regional office of the Administration for Children and Families;

''(III) a representative of the State educational agency and local educational agencies;

''(IV) a representative of institutions of higher education;

''(V) a representative (or representatives) of the State agency (or agencies) responsible for health or mental health care;

''(VI) a representative of the State agency responsible for teacher professional standards, certification, and licensing, including prekindergarten teacher professional standards, certification standards, certification, and licensing, where applicable;

''(VII) a representative of the State agency responsible for child care;

''(VIII) early childhood education professionals, including professionals with expertise in second language acquisition and instructional strategies in teaching limited English proficient children;

''(IX) kindergarten teachers and teachers in grades 1 through 3;

''(X) health care professionals;

''(XI) child development specialists, including specialists in prenatal, infant, and toddler development;

''(XII) a representative of the State agency responsible for assisting children with developmental disabilities;

''(XIII) a representative of the State agency responsible for programs under part C of the Individuals with Disabilities Education Act (20 U.S.C. 1431 et seq.);

''(XIV) a representative of the State interagency coordinating councils established under section 641 of the Individuals with Disabilities Education Act (20 U.S.C. 1441);

''(XV) a representative of the State Head Start Association (where appropriate), and other representatives of Head Start programs in the State;

''(XVI) a representative of the State network of child care resource and referral agencies;

''(XVII) a representative of community-based organizations;

''(XVIII) a representative of State and local providers of early childhood education and child care;

''(XIX) a representative of migrant and seasonal Head Start programs and Indian Head Start programs (where appropriate);

''(XX) parents;

''(XXI) religious and business leaders;

''(XXII) the head of the State library administrative agency;

''(XXIII) representatives of State and local organizations and other entities providing professional development to early care and education providers; and

''(XXIV) a representative of other entities determined to be relevant by the chief executive officer of the State.

''(iv)(I) The State Advisory Council shall be responsible for, in addition to responsibilities assigned to the council by the chief executive officer of the State—

''(aa) conducting a periodic statewide needs assessment concerning early care and education programs for children from birth to school entry;

''(bb) identifying barriers to, and opportunities for, collaboration and coordination between entities carrying out Federal and State child development, child care, and early childhood education programs;

''(cc) developing recommendations regarding means of establishing a unified data collection system for early care and education programs throughout the State;

''(dd) developing a statewide professional development and career ladder plan for early care and education in the State; and

''(ee) reviewing and approving the strategic plan, regarding collaborating and coordinating services to better serve children enrolled in Head Start programs, developed by the State Director of Head Start Collaboration under subparagraph (D)(iii).

''(II) The State Advisory Council shall hold public hearings and provide an opportunity for public comment on the needs assessment and recommendations described in subclause (I). The State Advisory Council shall submit a statewide strategic report containing the needs assessment and recommendations described in subclause (I) to the State Director of Head Start Collaboration and the chief executive officer of the State.

''(III) After submission of a statewide strategic report under subclause (II), the State Advisory Council shall meet periodically to review any implementation of the recommendations in such report and any changes in State and local needs.''; and

(5) in paragraph (6)—

(A) in subparagraph (A), by striking ''7.5 percent'' and all that follows and inserting ''11 percent for fiscal year 2006, 13 percent for fiscal year 2007, 15 percent for fiscal year 2008, 17 percent for fiscal year 2009, and 18 percent for fiscal year 2010, of the amount appropriated pursuant to section 639(a).'';

(B) by striking subparagraph (B);

(C) in subparagraph (C)(i), by striking ''required to be''; and

(D) by redesignating subparagraph (C) as subparagraph (B).

(b) SERVICE DELIVERY MODELS.—Section 640(f) of the Head Start Act (42 U.S.C. 9835(f)) is amended by striking ''needs.'' and inserting ''needs, including—

''(1) models that leverage the capacity and capabilities of the delivery system of early childhood education and child care; and

''(2) procedures to provide for the conversion of part-day programs to full-day programs or part-day slots to full-day slots.''.

(c) ADDITIONAL FUNDS.—Section 640(g)(2) of the Head Start Act (42 U.S.C. 9835(g)(2)) is amended—

(1) by striking subparagraph (C) and inserting the following:

''(C) the extent to which the applicant has undertaken communitywide strategic planning and needs assessments involving other community organizations and Federal, State, and local public agencies serving children and families (including organizations and agencies providing family support services and protective services to children and families and organizations serving families in whose homes English is not the language customarily spoken), and individuals, organizations, and public entities serving children with disabilities, children in foster care, and homeless children including the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii));'';

(2) in subparagraph (D), by striking ''other local'' and inserting ''the State and local'';

(3) in subparagraph (E), by inserting ''would like to participate but'' after ''community who'';

(4) in subparagraph (G), by inserting ''leverage the existing delivery systems of such services and'' after ''manner that will''; and

(5) in subparagraph (H), by inserting '', including the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii)),'' after ''community involved''.

(d) REGULATIONS.—Section 640(i) of the Head Start Act (42 U.S.C. 9835(i)) is amended by inserting ''and requirements to ensure the appropriate supervision and background checks of individuals with whom the agencies contract to transport those children'' before the period.

(e) MIGRANT AND SEASONAL HEAD START PROGRAMS.—Section 640(l) of the Head Start Act (42 U.S.C. 9835(l)) is amended by striking paragraph (3) and inserting the following:

''(3) In carrying out this subchapter, the Secretary shall continue the administrative arrangement at the national or regional level for meeting the needs of Indian children and children of migrant and seasonal farmworkers and shall ensure that appropriate funding is provided to meet such needs, including training and technical assistance and the appointment of a national migrant and seasonal Head Start collaboration director and a national Indian Head Start collaboration director.

''(4)(A) For the purposes of paragraph (3), the Secretary shall conduct an annual consultation in each affected Head Start region, with tribal governments operating Head Start and Early Head Start programs.

''(B) The consultations shall be for the purpose of better meeting the needs of American Indian and Alaska Native children and families pertinent to subsections (a), (b), and (c) of section 641, taking into consideration funding allocations, distribution formulas, and other issues affecting the delivery of Head Start services within tribal communities.

''(C) The Secretary shall publish a notification of the consultations in the Federal Register prior to conducting the consultations.

''(D) A detailed report of each consultation shall be prepared and made available, on a timely basis, to all tribal governments receiving funds under this subchapter.''.

(f) HOMELESS CHILDREN.—Section 640 of the Head Start Act (42 U.S.C. 9835) is amended by adding at the end the following:

''(m) ENROLLMENT OF HOMELESS CHILDREN.—The Secretary shall issue regulations to remove barriers to the enrollment and participation of homeless children in Head Start programs. Such regulations shall require Head Start agencies to—

''(1) implement policies and procedures to ensure that homeless children are identified and receive appropriate priority for enrollment;

''(2) allow homeless children to apply to, enroll in, and attend Head Start programs while required documents, such as proof of residency, proof of immunization, and other medical records, birth certificates, and other documents, are obtained within a reasonable timeframe (consistent with State law); and

''(3) coordinate individual Head Start programs with efforts to implement subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).

''(n) RULE OF CONSTRUCTION.—Nothing in this subchapter shall be construed to require a State to establish a program of early education for children in the State, to require any child to participate in a program of early education in order to attend preschool, or to participate in any initial screening prior to participation in such program, except as provided under section 612(a)(3) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(3)) and consistent with section 614(a)(1)(C) of such Act (20 U.S.C. 1414(a)(1)(C)).

''(o) MATERIALS.—All curricula funded under this subchapter shall be scientifically based and age appropriate. Parents shall have the opportunity to examine any such curricula or instructional materials funded under this subchapter.''.

SEC. 7. DESIGNATION OF HEAD START AGENCIES.

Section 641 of the Head Start Act (42 U.S.C. 9836) is amended to read as follows:

''SEC. 641. DESIGNATION OF HEAD START AGENCIES.

''(a) DESIGNATION.—

''(1) IN GENERAL.—The Secretary is authorized to designate as a Head Start agency any local public or private nonprofit or for-profit agency, within a community, including a community-based organization that—

''(A) has power and authority to carry out the purpose of this subchapter and perform the functions set forth in section 642 within a community; and

''(B) is determined to be capable of planning, conducting, administering, and evaluating, either directly or by other arrangements, a Head Start program.

''(2) REQUIRED GOALS FOR DESIGNATION.—In order to be designated as a Head Start agency, an entity described in paragraph (1) shall establish program goals for improving the school readiness of children participating in a program under this subchapter, including goals for meeting the performance standards and additional educational standards described in section 641A and shall establish results-based school readiness goals that are aligned with State early learning standards, if applicable, and requirements and expectations for local public schools.

''(3) ELIGIBILITY FOR SUBSEQUENT GRANTS.—In order to receive a grant under this subchapter subsequent to the initial grant provided following the date of enactment of the Head Start Improvements for School Readiness Act, an entity described in paragraph (1) shall demonstrate that the entity has met or is making progress toward meeting the goals described in paragraph (2).

''(4) GOVERNING BODY.—

''(A) IN GENERAL.—

''(i) ENSURING HIGH QUALITY PROGRAMS.—In order to be designated as a Head Start agency, an entity described in paragraph (1) shall have a governing body—

''(I) with legal and fiscal responsibility for administering and overseeing programs under this subchapter; and

''(II) that fully participates in the development, planning, implementation, and evaluation of the programs to ensure the operation of programs of high quality.

''(ii) ENSURING COMPLIANCE WITH LAWS.—The governing body shall be responsible for ensuring compliance with Federal laws and regulations, including the performance standards described in section 641A, as well as applicable State, Tribal, and local laws and regulations, including laws defining the nature and operations of the governing body.

''(B) COMPOSITION OF GOVERNING BODY.—

''(i) IN GENERAL.—The governing body shall be composed as follows:

''(I) Not less than 1 member of the governing body shall have a background in fiscal management.

''(II) Not less than 1 member of the governing body shall have a background in early childhood development.

''(III) Not less than 1 member of the governing body shall live in the local community to be served by the entity.

''(ii) CONFLICT OF INTEREST.—Members of the governing body shall—

''(I) not have a conflict of interest with the Head Start agency or delegate agencies; and

''(II) not receive compensation for service to the Head Start agency.

''(C) RESPONSIBILITIES.—

''(i) IN GENERAL.—The governing body shall be responsible, in consultation with the policy council or the policy committee of the Head Start agency, for—

''(I) the selection of delegate agencies and such agencies' service areas;

''(II) establishing criteria for defining recruitment, selection, and enrollment priorities;

''(III) all funding applications and amendments to funding applications for programs under this subchapter;

''(IV) the annual self-assessment of the Head Start agency or delegate agency's progress in carrying out the programmatic and fiscal intent of such agency's grant application, including planning or other actions that may result from the review of the annual audit, self-assessment, and findings from the Federal monitoring review;

''(V) the composition of the policy council or the policy committee of the Head Start agency and the procedures by which group members are chosen;

''(VI) audits, accounting, and reporting;

''(VII) personnel policies and procedures including decisions with regard to salary scales (and changes made to the scale), salaries of the Executive Director, Head Start Director, the Director of Human Resources, and the Chief Fiscal Officer, and decisions to hire and terminate program staff; and

''(VIII) the community assessment, including any updates to such assessment.

''(ii) CONDUCT OF RESPONSIBILITIES.—The governing body shall develop an internal control structure to facilitate these responsibilities in order to—

''(I) safeguard Federal funds;

''(II) comply with laws and regulations that have an impact on financial statements;

''(III) detect or prevent noncompliance with this subchapter; and

''(IV) receive audit reports and direct and monitor staff implementation of corrective actions.

''(D) RECEIPT OF INFORMATION.—To facilitate oversight and Head Start agency accountability, the governing body shall receive regular and accurate information about program planning, policies, and Head Start agency operations, including—

''(i) monthly financial statements (including detailed credit card account expenditures for any employee with a Head Start agency credit card or who seeks reimbursement for charged expenses);

''(ii) monthly program information summaries;

''(iii) program enrollment reports, including attendance reports for children whose care is partially subsidized by another public agency;

''(iv) monthly report of meals and snacks through programs of the Department of Agriculture;

''(v) the annual financial audit;

''(vi) the annual self-assessment, including any findings related to the annual self-assessment;

''(vii) the community assessment of the Head Start agency's service area and any applicable updates; and

''(viii) the program information reports.

''(E) TRAINING AND TECHNICAL ASSISTANCE.—Appropriate training and technical assistance shall be provided to the members of the governing body to ensure that the members understand the information the members receive and can effectively oversee and participate in the programs of the Head Start agency.

''(b) COMMUNITIES.—For purposes of this subchapter, a community may be a city, county, or multicity or multicounty unit within a State, an Indian reservation (including Indians in any off-reservation area designated by an appropriate tribal government in consultation with the Secretary), or a neighborhood or other area (irrespective of boundaries or political subdivisions) that provides a suitable organizational base and possesses the commonality of interest needed to operate a Head Start program.

''(c) PRIORITY IN DESIGNATION.—In administering the provisions of this section, the Secretary shall, in consultation with the chief executive officer of the State involved, give priority in the designation (including redesignation) of Head Start agencies to any high-performing Head Start agency or delegate agency that—

''(1) is receiving assistance under this subchapter;

''(2) meets or exceeds program and financial management requirements or standards described in section 641A(a)(1);

''(3) has no unresolved deficiencies and has not had findings of deficiencies during the last triennial review under section 641A(c); and

''(4) can demonstrate, through agreements such as memoranda of understanding, active collaboration with the State or local community in the provision of services for children (such as the provision of extended day services, education, professional development and training for staff, and other types of cooperative endeavors).

''(d) DESIGNATION WHEN ENTITY HAS PRIORITY.—If no entity in a community is entitled to the priority specified in subsection (c), the Secretary shall, after conducting an open competition, designate a Head Start agency from among qualified applicants in such community.

''(e) RULE OF CONSTRUCTION.—Notwithstanding any other provision of law, under no condition may a non-Indian Head Start agency receive a grant to carry out an Indian Head Start program.

''(f) EFFECTIVENESS.—In selecting from among qualified applicants for designation as a Head Start agency, the Secretary shall consider the effectiveness of each such applicant to provide Head Start services, based on—

''(1) any past performance of such applicant in providing services comparable to Head Start services, including how effectively such applicant provided such comparable services;

''(2) the plan of such applicant to provide comprehensive health, educational, nutritional, social, and other services needed to aid participating children in attaining their full potential, and to prepare children to succeed in school;

''(3) the capacity of such applicant to serve eligible children with programs that use scientifically based research that promote school readiness of children participating in the program;

''(4) the plan of such applicant to meet standards set forth in section 641A(a)(1), with particular attention to the standards set forth in subparagraphs (A) and (B) of such section;

''(5) the plan of such applicant to coordinate the Head Start program the applicant proposes to carry out with other preschool programs, including—

''(A) the Early Reading First and Even Start programs under subparts 2 and 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6371 et seq., 6381 et seq.);

''(B) programs under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.);

''(C) State prekindergarten programs;

''(D) child care programs;

''(E) the educational programs that the children in the Head Start program involved will enter at the age of compulsory school attendance; and

''(F) reading readiness programs such as those conducted by public and school libraries;

''(6) the plan of such applicant to coordinate the Head Start program that the applicant proposes to carry out with public and private entities who are willing to commit resources to assist the Head Start program in meeting its program needs;

''(7) the plan of such applicant to collaborate with a local library, where available, that is interested in that collaboration, to—

''(A) develop innovative programs to excite children about the world of books, such as programs that involve—

''(i) taking children to the library for a story hour;

''(ii) promoting the use of library cards;

''(iii) developing a lending library or using a mobile library van; and

''(iv) providing fresh books in the Head Start classroom on a regular basis;

''(B) assist in literacy training for Head Start teachers; and

''(C) support parents and other caregivers in literacy efforts;

''(8) the plan of such applicant—

''(A) to seek the involvement of parents of participating children in activities (at home and in the center involved where practicable) designed to help such parents become full partners in the education of their children;

''(B) to afford such parents the opportunity to participate in the development and overall conduct of the program at the local level, including through providing transportation costs;

''(C) to offer (directly or through referral to local entities, such as entities carrying out Even Start programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.), public and school libraries, and entities carrying out family support programs) to such parents—

''(i) family literacy services; and

''(ii) parenting skills training;

''(D) to offer to parents of participating children substance abuse counseling (either directly or through referral to local entities), including information on the effect of drug exposure on infants and fetal alcohol syndrome;

''(E) at the option of such applicant, to offer (directly or through referral to local entities) to such parents—

''(i) training in basic child development (including cognitive development);

''(ii) assistance in developing literacy and communication skills;

''(iii) opportunities to share experiences with other parents (including parent mentor relationships);

''(iv) regular in-home visitation; or

''(v) any other activity designed to help such parents become full partners in the education of their children;

''(F) to provide, with respect to each participating family, a family needs assessment that includes consultation with such parents about the benefits of parent involvement and about the activities described in subparagraphs (C), (D), and (E) in which such parents may choose to become involved (taking into consideration their specific family needs, work schedules, and other responsibilities); and

''(G) to extend outreach to fathers, in appropriate cases, in order to strengthen the role of fathers in families, in the education of their young children, and in the Head Start program, by working directly with fathers and father figures through activities such as—

''(i) in appropriate cases, including fathers in home visits and providing opportunities for direct father-child interactions; and

''(ii) targeting increased male participation in the conduct of the program;

''(9) the ability of such applicant to carry out the plans described in paragraphs (2), (4), and (5);

''(10) other factors related to the requirements of this subchapter;

''(11) the plan of such applicant to meet the needs of limited English proficient children and their families, including procedures to identify such children, plans to provide trained personnel, and plans to provide services to assist the children in making progress toward the acquisition of the English language;

''(12) the plan of such applicant to meet the needs of children with disabilities;

''(13) the plan of such applicant who chooses to assist younger siblings of children who will participate in the Head Start program, to obtain health services from other sources;

''(14) the plan of such applicant to collaborate with other entities carrying out early childhood education and child care programs in the community;

''(15) the plan of such applicant to meet the needs of homeless children and children in foster care, including the transportation needs of such children; and

''(16) the plan of such applicant to recruit and retain qualified staff.

''(g) INTERIM BASIS.—If there is not a qualified applicant in a community for designation as a Head Start agency, the Secretary shall designate a qualified agency to carry out the Head Start program in the community on an interim basis until a qualified applicant from the community is so designated.

''(h) INVOLVEMENT OF PARENTS AND AREA RESIDENTS.—The Secretary shall continue the practice of involving parents and area residents who are affected by programs under this subchapter in the selection of

qualified applicants for designation as Head Start agencies.

''(i) PRIORITY.—In selecting from among qualified applicants for designation as a Head Start agency, the Secretary shall give priority to applicants that have demonstrated capacity in providing effective, comprehensive, and well-coordinated early childhood services to children and their families.''.

SEC. 8. QUALITY STANDARDS; MONITORING OF HEAD START AGENCIES AND PROGRAMS.

Section 641A of the Head Start Act (42 U.S.C. 9836a) is amended—

(1) in subsection (a)—

(A) in paragraph (1)(A), by striking ''642(d)'' and inserting ''642(c)'';

(B) in paragraph (1)(B)—

(i) in clause (i), by striking ''education performance standards'' and inserting ''educational performance standards''; and

(ii) by striking clause (ii) and inserting the following:

''(ii) additional educational standards based on the recommendations of the National Academy of Sciences panel described in section 649(h) and other experts in the field, to ensure that the curriculum involved addresses, and that the children participating in the program show appropriate progress toward developing and applying, the recommended educational outcomes, after the panel considers the appropriateness of additional educational standards relating to—

''(I) language skills related to listening, understanding, speaking, and communicating, including—

''(aa) understanding and use of a diverse vocabulary (including knowing the names of colors) and knowledge of how to use oral language to communicate for various purposes;

''(bb) narrative abilities used, for example, to comprehend, tell, and respond to a story, or to comprehend instructions;

''(cc) ability to detect and produce sounds of the language the child speaks or is learning; and

''(dd) clarity of pronunciation and speaking in syntactically and grammatically correct sentences;

''(II) prereading knowledge and skills, including—

''(aa) alphabet knowledge including knowing the letter names and associating letters with their shapes and sounds in the language the child speaks or is learning;

''(bb) phonological awareness and processes that support reading, for example, rhyming, recognizing speech sounds and separate syllables in spoken words, and putting speech sounds together to make words;

''(cc) knowledge, interest in, and appreciation of books, reading, and writing (either alone or with others), and knowledge that books have parts such as the front, back, and title page;

''(dd) early writing, including the ability to write one's own name and other words and phrases; and

''(ee) print awareness and concepts, including recognizing different forms of print and understanding the association between spoken and written words;

''(III) premathematics knowledge and skills, including—

''(aa) number recognition;

''(bb) use of early number concepts and operations, including counting, simple adding and subtracting, and knowledge of quantitative relationships, such as part versus whole and comparison of numbers of objects;

''(cc) use of early space and location concepts, including recognizing shapes, classification, striation, and understanding directionality; and

''(dd) early pattern skills and measurement, including recognizing and extending simple patterns and measuring length, weight, and time;

''(IV) scientific abilities, including—

''(aa) building awareness about scientific skills and methods, such as gathering, describing, and recording information, making observations, and making explanations and predictions; and

''(bb) expanding scientific knowledge of the environment, time, temperature, and cause-and-effect relationships;

''(V) general cognitive abilities related to academic achievement and child development, including—

''(aa) reasoning, planning, and problem-solving skills;

''(bb) ability to engage, sustain attention, and persist on challenging tasks;

''(cc) intellectual curiosity, initiative, and task engagement; and

''(dd) motivation to achieve and master concepts and skills;

''(VI) social and emotional development related to early learning and school success, including developing—

''(aa) the ability to develop social relationships, demonstrate cooperative behaviors, and relate to teachers and peers in positive and respectful ways;

''(bb) an understanding of the consequences of actions, following rules, and appropriately expressing feelings;

''(cc) a sense of self, such as self-awareness, independence, and confidence;

''(dd) the ability to control negative behaviors with teachers and peers that include impulsiveness, aggression, and noncompliance; and

''(ee) knowledge of civic society and surrounding communities;

''(VII) physical development, including developing—

''(aa) fine motor skills, such as strength, manual dexterity, and hand-eye coordination; and

''(bb) gross motor skills, such as balance and coordinated movements; and

''(VIII) in the case of limited English proficient children, progress toward acquisition of the English language while making meaningful progress in attaining the knowledge, skills, abilities, and development described in subclauses (I) through (VII);'';

(C) in paragraph (1)(D), by striking ''projects; and'' and inserting ''projects, including regulations that require that the facilities used by Head Start agencies (including Early Head Start agencies) and delegate agencies for regularly scheduled center-based and combination program option classroom activities—

''(i) shall be in compliance with State and local requirements concerning licensing for such facilities; and

''(ii) shall be accessible by State and local authorities for purposes of monitoring and ensuring compliance.'';

(D) in paragraph (2)—

(i) in subparagraph (B)—

(I) in clause (i), by striking ''the date of enactment of this section'' and inserting ''the date of enactment of the Head Start Improvements for School Readiness Act'';

(II) in clause (ii), by striking ''the date of enactment of this Act'' and inserting ''the date of enactment of the Head Start Improvements for School Readiness Act'';

(III) in clause (vi), by striking ''; and'' and inserting a semicolon;

(IV) in clause (vii), by striking ''public schools'' and inserting ''the schools that the children will be attending''; and

(V) by adding at the end the following:

''(viii) the unique challenges faced by individual programs, including those programs that are seasonal or short term and those programs that serve rural populations; and'';

(ii) in subparagraph (C)(ii), by striking ''the date of enactment of the Coats Human Services Reauthorization Act of 1998'' and inserting ''the date of enactment of the Head Start Improvements for School Readiness Act''; and

(iii) by adding at the end the following:

''(D) consult with Indian tribes, American Indian and Alaska Native experts in early childhood development, linguists, and the National Indian Head Start Directors Association on the review and promulgation of program standards and measures (including standards and measures for language acquisition and school readiness).'';

(E) by adding at the end the following:

''(4) EVALUATIONS AND CORRECTIVE ACTIONS FOR DELEGATE AGENCIES.—

''(A) PROCEDURES.—

''(i) IN GENERAL.—Subject to clause (ii), the Head Start agency shall establish procedures relating to its delegate agencies, including—

''(I) procedures for evaluating delegate agencies;

''(II) procedures for defunding delegate agencies; and

''(III) procedures for appealing a defunding decision relating to a delegate agency.

''(ii) TERMINATION.—The Head Start agency may not terminate a delegate agency's contract or reduce a delegate agency's service area without showing cause or demonstrating the cost-effectiveness of such a decision.

''(B) EVALUATIONS.—Each Head Start agency—

''(i) shall evaluate its delegate agencies using the procedures established pursuant to this section, including subparagraph (A); and

''(ii) shall inform the delegate agencies of the deficiencies identified through the evaluation that shall be corrected.

''(C) REMEDIES TO ENSURE CORRECTIVE ACTIONS.—In the event that the Head Start agency identifies a deficiency for a delegate agency through the evaluation, the Head Start agency may—

''(i) initiate procedures to terminate the designation of the agency unless the agency corrects the deficiency;

''(ii) conduct monthly monitoring visits to such delegate agency until all deficiencies are corrected or the Head Start agency decides to defund such delegate agency; and

''(iii) release funds to such delegate agency only as reimbursements until all deficiencies are corrected or the Head Start agency decides to defund such delegate agency.

''(D) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to impact or obviate the responsibilities of the Secretary with respect to Head Start agencies or delegate agencies receiving funding under this subchapter.'';

(2) in subsection (b)—

(A) in paragraph (2)—

(i) by striking the paragraph heading and inserting the following:

''(2) CHARACTERISTICS AND USE OF MEASURES.—'';

(ii) in subparagraph (B), by striking '', not later than July 1, 1999; and'' and inserting a semicolon;

(iii) in subparagraph (C), by striking the period and inserting a semicolon;

(iv) by striking the flush matter following subparagraph (C); and

(v) by adding at the end the following:

''(D) measure characteristics that are strongly predictive (as determined on a scientific basis) of a child's school readiness and later performance in school;

''(E) be appropriate for the population served; and

''(F) be reviewed not less than every 4 years, based on advances in the science of early childhood development.

The performance measures shall include the performance standards and additional educational standards described in subparagraphs (A) and (B) of subsection (a)(1).'';

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''; and'' and inserting a semicolon;

(ii) in subparagraph (B), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

''(C) to enable Head Start agencies to individualize programs of instruction to better meet the needs of the child involved.'';

(C) by striking paragraph (4) and inserting the following:

''(4) RESULTS-BASED OUTCOME MEASURES.—Results-based outcome measures shall be designed for the purpose of promoting the knowledge, skills, abilities, and development, described in subsection (a)(1)(B)(ii), of children participating in Head Start programs that are strongly predictive (as determined on a scientific basis) of a child's school readiness and later performance in school.''; and

(D) by striking paragraph (5) and inserting the following:

''(5) ADDITIONAL LOCAL RESULTS-BASED EDUCATIONAL MEASURES AND GOALS.—Head Start agencies may establish and implement additional local results-based educational measures and goals.'';

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in the matter preceding subparagraph (A), by inserting ''and Head Start centers'' after ''Head Start programs'';

(ii) in subparagraph (A), by striking ''such agency'' and inserting ''Head Start center'';

(iii) by striking subparagraph (C) and inserting the following:

''(C) Unannounced site inspections of Head Start centers for health and safety reasons, as appropriate.'';

(iv) by redesignating subparagraph (D) as subparagraph (E); and

(v) by inserting after subparagraph (C) the following:

''(D) Notwithstanding subparagraph (C), followup reviews, including—

''(i) prompt return visits to agencies, programs, and centers that fail to meet 1 or more of the performance measures developed by the Secretary under subsection (b); and

''(ii) a review of programs with citations that include findings of deficiencies not later than 6 months after the date of such citation.''; and

(B) by striking paragraph (2) and inserting the following:

''(2) CONDUCT OF REVIEWS.—The Secretary shall ensure that reviews described in paragraph (1)—

''(A) that incorporate a monitoring visit, may incorporate the visit without prior notice of the visit to the agency involved or with such limited prior notice as is necessary to ensure the participation of parents and key staff members;

''(B) are conducted by review teams that shall include individuals who are knowledgeable about Head Start and other early childhood education programs and, to the maximum extent practicable, the diverse (including linguistic and cultural) needs of eligible children (including children with disabilities, homeless children, and children in foster care) and limited English proficient children and their families;

''(C) include as part of the reviews of the programs, a review and assessment of program effectiveness, as measured in accordance with the results-based performance measures developed by the Secretary pursuant to subsection (b) and with the standards established pursuant to subparagraphs (A) and (B) of subsection (a)(1);

''(D) seek information from the communities and States where Head Start programs exist about innovative or effective collaborative efforts, barriers to collaboration, and the efforts of the Head Start agencies to collaborate with the entities carrying out early childhood education and child care programs in the community;

''(E) include as part of the reviews of the programs, a review and assessment of whether the programs are in conformity with the income eligibility requirements under section 645 and regulations promulgated under such section;

''(F) include as part of the reviews of the programs, a review and assessment of whether programs have adequately addressed the population and community needs (including needs of populations of limited English proficient children and children of migrant and seasonal farmworking families); and

''(G) include as part of the reviews of the programs, data from the results of periodic child assessments, and a review and assessment of child outcomes and performance as they relate to State, local, and agency-determined school readiness goals.'';

(4) in subsection (d)(1)—

(A) in the matter preceding subparagraph (A), by inserting ''or fails to address the community needs and strategic plan identified in section 640(g)(2)(C),'' after ''subsection (b),''; and

(B) in subparagraph (A), by inserting ''and identify the technical assistance to be provided consistent with paragraph (3)'' after ''corrected'';

(5) in subsection (e), by striking the last sentence and inserting ''The information contained in such report shall be made available to all parents with children receiving assistance under this subchapter in an understandable and uniform format, and to the extent practicable, provided in a language that the parents can understand. Such information shall be made widely available through public means such as distribution through public agencies, and, at a minimum, by posting such information on the Internet immediately upon publication.''; and

(6) by adding at the end the following:

''(f) SELF-ASSESSMENTS.—

''(1) IN GENERAL.—Not less frequently than once each program year, with the consultation and participation of policy groups and, as appropriate, other community members, each agency receiving funds under this subchapter shall conduct a self-assessment of the effectiveness and progress in meeting programs goals and objectives and in implementing and complying with Head Start program performance standards.

''(2) REPORT AND IMPROVEMENT PLANS.—

''(A) REPORT.—An agency conducting a self-assessment shall report the findings of the self-assessment to the relevant policy council, policy committee, governing body, and regional office of the Department of Health and Human Services. Each self-assessment shall identify areas of strength and weakness.

''(B) IMPROVEMENT PLAN.—The agency shall develop an improvement plan approved by the governing body of the agency to strengthen any areas identified in the self-assessment as weaknesses or in need of improvement.

''(3) ONGOING MONITORING.—Each Head Start agency, Early Head Start agency, and delegate agency shall establish and implement procedures for the ongoing monitoring of their Head Start and Early Head Start programs, to ensure that the operations of the programs work toward meeting program goals and objectives and Head Start performance standards.

''(4) TRAINING AND TECHNICAL ASSISTANCE.—Funds may be made available, through section 648(d)(13), for training and technical assistance to assist agencies in conducting self-assessments.

''(g) REDUCTION OF GRANTS AND REDISTRIBUTION OF FUNDS IN CASES OF UNDER-ENROLLMENT.—

''(1) DEFINITIONS.—In this subsection:

''(A) ACTUAL ENROLLMENT.—The term 'actual enrollment' means, with respect to the program of a Head Start agency, the actual number of children enrolled in such program and reported by the agency (as required in paragraph (2)) in a given month.

''(B) BASE GRANT.—The term 'base grant' means, with respect to a Head Start agency for a fiscal year, that portion of the grant derived—

''(i) from amounts reserved for use in accordance with section 640(a)(2)(A), for a Head Start agency administering an Indian Head Start program or migrant and seasonal Head Start program;

''(ii) from amounts reserved for payments under section 640(a)(2)(B); or

''(iii) from amounts available under section 640(a)(2)(D) or allotted among States under section 640(a)(4).

''(C) FUNDED ENROLLMENT.—The term 'funded enrollment' means, with respect to the program of a Head Start agency in a fiscal year, the number of children that the agency is funded to serve through a grant for the program during such fiscal year, as indicated in the grant agreement.

''(2) ENROLLMENT REPORTING REQUIREMENT FOR CURRENT FISCAL YEAR.—Each entity carrying out a Head Start program shall report on a monthly basis to the Secretary and the relevant Head Start agency—

''(A) the actual enrollment in such program; and

''(B) if such actual enrollment is less than the funded enrollment, any apparent reason for such enrollment shortfall.

''(3) SECRETARIAL REVIEW AND PLAN.—The Secretary shall—

''(A) on a semiannual basis, determine which Head Start agencies are operating with an actual enrollment that is less than the funded enrollment based on not less than 4 consecutive months of data;

''(B) for each such Head Start agency operating a program with an actual enrollment that is less than 95 percent of its funded enrollment, as determined under subparagraph (A), develop, in collaboration with such agency, a plan and timetable for reducing or eliminating under-enrollment taking into consideration—

''(i) the quality and extent of the outreach, recruitment, and community needs assessment conducted by such agency;

''(ii) changing demographics, mobility of populations, and the identification of new underserved low-income populations;

''(iii) facilities-related issues that may impact enrollment;

''(iv) the ability to provide full-day programs, where needed, through Head Start funds or through collaboration with entities carrying out other preschool or child care programs, or programs with other funding sources (where available);

''(v) the availability and use by families of other preschool and child care options (including parental care) in the local catchment area; and

''(vi) agency management procedures that may impact enrollment; and

''(C) provide timely and ongoing technical assistance to each agency described in subparagraph (B) for the purpose of implementing the plan described in such subparagraph.

''(4) IMPLEMENTATION.—Upon receipt of the technical assistance described in paragraph (3)(C), a Head Start agency shall immediately implement the plan described in paragraph (3)(B).

''(5) SECRETARIAL ACTION FOR CONTINUED UNDER-ENROLLMENT.—If, 1 year after the date of implementation of the plan described in paragraph (3)(B), the Head Start agency continues to operate a program at less than full enrollment, the Secretary shall, where determined appropriate, continue to provide technical assistance to such agency.

''(6) SECRETARIAL REVIEW AND ADJUSTMENT FOR CHRONIC UNDER-ENROLLMENT.—

''(A) IN GENERAL.—If, after receiving technical assistance and developing and implementing a plan to the extent described in paragraphs (3), (4), and (5) for 9 months, a Head Start agency is still operating a program with an actual enrollment that is less than 95 percent of its funded enrollment, the Secretary may—

''(i) designate such agency as chronically under-enrolled; and

''(ii) recapture, withhold, or reduce the base grant for the program by a percentage equal to the percentage difference between funded enrollment and actual enrollment for the program for the most recent year in which the agency is determined to be under-enrolled under paragraph (2)(B).

''(B) WAIVER OR LIMITATION OF REDUCTIONS.—If the Secretary, after the implementation of the plan described in paragraph (3)(B), finds that—

''(i) the causes of the enrollment shortfall, or a portion of the shortfall, are beyond the agency's control (such as serving significant numbers of migrant or seasonal farmworker, homeless, foster, or other highly mobile children);

''(ii) the shortfall can reasonably be expected to be temporary; or

''(iii) the number of slots allotted to the agency is small enough that under-enrollment does not constitute a significant shortfall, the Secretary may, as appropriate, waive or reduce the percentage recapturing, withholding, or reduction otherwise required by subparagraph (A).

''(C) PROCEDURAL REQUIREMENTS; EFFECTIVE DATE.—The actions taken by the Secretary under this paragraph with respect to a Head Start agency shall take effect 1 day after the date on which—

''(i) the time allowed for appeal under section 646(a) expires without an appeal by the agency; or

''(ii) the action is upheld in an administrative hearing under section 646.

''(7) REDISTRIBUTION OF FUNDS.—

''(A) IN GENERAL.—The Secretary shall use amounts recovered from a Head Start agency through recapturing, withholding, or reduction under paragraph (6) in a fiscal year—

''(i) in the case of a Head Start agency administering an Indian Head Start program or a migrant and seasonal Head Start program, whose base grant is derived from amounts specified in paragraph (1)(C)(i), to redirect funds to 1 or more agencies that—

''(I) are administering Head Start programs serving the same special population; and

''(II) demonstrate that the agencies will use such redirected funds to increase enrollment in their Head Start programs in such fiscal year; or

''(ii) in the case of a Head Start agency in a State, whose base grant is derived from amounts specified in clause (ii) or (iii) of paragraph (1)(C), to redirect funds to 1 or more agencies that—

''(I) are administering Head Start programs in the same State; and

''(II) make the demonstration described in clause (i)(II).

''(B) SPECIAL RULE.—If there is no agency located in a State that meets the requirements of subclauses (I) and (II) of subparagraph (A)(ii), the Secretary shall use amounts described in subparagraph (A) to redirect funds to Head Start agencies located in other States that make the demonstration described in subparagraph (A)(i)(II).

''(C) ADJUSTMENT TO FUNDED ENROLLMENT.—The Secretary shall adjust as necessary the requirements relating to funded enrollment indicated in the grant agreement of a Head Start agency receiving redistributed amounts under this paragraph.''.

SEC. 9. CENTERS OF EXCELLENCE IN EARLY CHILDHOOD.

The Head Start Act is amended by inserting after section 641A (42 U.S.C. 9836a) the following:

''SEC. 641B. CENTERS OF EXCELLENCE IN EARLY CHILDHOOD.

''(a) DEFINITION.—In this section, the term 'center of excellence' means a Center of Excellence in Early Childhood designated under subsection (b).

''(b) DESIGNATION AND BONUS GRANTS.—The Secretary shall, subject to the availability of funds under this subchapter, including under subsection (f), establish a program under which the Secretary shall—

''(1) designate not more than 200 exemplary Head Start agencies (including Early Head Start agencies, Indian Head Start agencies, and migrant and seasonal Head Start agencies) as Centers of Excellence in Early Childhood; and

''(2) make bonus grants to the centers of excellence to carry out the activities described in subsection (d).

''(c) APPLICATION AND DESIGNATION.—

''(1) APPLICATION.—

''(A) NOMINATION AND SUBMISSION.—

''(i) IN GENERAL.—To be eligible to receive a designation as a center of excellence under subsection (b), except as provided in clause (ii), a Head Start agency in a State shall be nominated by the Governor of the State and shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(ii) INDIAN AND MIGRANT AND SEASONAL HEAD START PROGRAMS.—In the case of an Indian Head Start agency or a migrant or seasonal Head Start agency, to be eligible to receive a designation as a center of excellence under subsection (b), such an agency shall be nominated by the head of the appropriate regional office of the Department and Health and Human Services and shall submit an application to the Secretary in accordance with clause (i).

''(B) CONTENTS.—At a minimum, the application shall include—

''(i) evidence that the Head Start program carried out by the agency has significantly improved the school readiness of, and enhanced academic outcomes for, children who have participated in the program;

''(ii) evidence that the program meets or exceeds standards and performance measures described in subsections (a) and (b) of section 641A, as evidenced by successful completion of programmatic and monitoring reviews, and has no findings of deficiencies with respect to the standards and measures;

''(iii) evidence that the program is making progress toward meeting the requirements described in section 648A;

''(iv) evidence demonstrating the existence of a collaborative partnership among the Head Start agency, the State (or a State agency), and other early care and education providers in the local community involved;

''(v) a nomination letter from the Governor, or appropriate regional office, demonstrating the agency's ability to carry out the coordination, transition, and training services of the program to be carried out under the bonus grant involved, including coordination of activities with State and local agencies that provide early childhood services to children and families in the community served by the agency;

''(vi) information demonstrating the existence of a local council for excellence in early childhood, which shall include representatives of all the institutions, agencies, and groups involved in the work of the center for, and the local provision of services to, eligible children and other at-risk children, and their families; and

''(vii) a description of how the Center, in order to expand accessibility and continuity of quality early care and education, will coordinate the early care and education activities assisted under this section with—

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

''(II) other programs carried out under this subchapter, including the Early Head Start programs carried out under section 645A;

''(III)(aa) Early Reading First and Even Start programs carried out under subparts 2 and 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6371 et seq., 6381 et seq.);

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

''(cc) the Ready-to-Learn Television program carried out under subpart 3 of part D of title II of that Act (20 U.S.C. 6775 et seq.);

''(IV) programs carried out under part C of the Individuals with Disabilities Education Act (20 U.S.C. 1431 et seq.);

''(V) State prekindergarten programs; and

''(VI) other early care and education programs.

''(2) SELECTION.—In selecting agencies to designate as centers of excellence under subsection (b), the Secretary shall designate not less than 1 from each of the 50 States, the District of Columbia, an Indian Head Start program, a migrant and seasonal Head Start program, and the Commonwealth of Puerto Rico.

''(3) TERM OF DESIGNATION.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall designate a Head Start agency as a center of excellence for a 5-year term. During the period of that designation, subject to the availability of appropriations, the agency shall be eligible to receive a bonus grant under subsection (b).

''(B) REVOCATION.—The Secretary may revoke an agency's designation under subsection (b) if the Secretary determines that the agency is not demonstrating adequate performance or has had findings of deficiencies described in paragraph (1)(B)(ii).

''(4) AMOUNT OF BONUS GRANT.—The Secretary shall base the amount of funding provided through a bonus grant made under subsection (b) to a center of excellence on the number of children eligible for Head Start services in the community involved. The Secretary shall, subject to the availability of funding, make such a bonus grant in an amount of not less than $200,000 per year.

''(d) USE OF FUNDS.—

''(1) ACTIVITIES.—A center of excellence that receives a bonus grant under subsection (b) may use the funds made available through the bonus grant—

''(A) to provide Head Start services to additional eligible children;

''(B) to better meet the needs of working families in the community served by the center by serving more children in existing Early Head Start programs (existing as of the date the center is designated under this section) or in full-working-day, full calendar year Head Start programs;

''(C) to model and disseminate best practices for achieving early academic success, including achieving school readiness and developing prereading and prematheматics skills for at-risk children and achieving the acquisition of the English language for limited English proficient children, and to provide seamless service delivery for eligible children and their families;

''(D) to further coordinate early childhood and social services available in the community served by the center for at-risk children (birth through age 8), their families, and pregnant women;

''(E) to provide training and cross training for Head Start teachers and staff, child care providers, public and private preschool and elementary school teachers, and other providers of early childhood services, and training and cross training to develop agency leaders;

''(F) to provide effective transitions between Head Start programs and elementary school, to facilitate ongoing communication between Head Start and elementary school teachers concerning children receiving Head Start services, and to provide training and technical assistance to providers who are public elementary school teachers and other staff of local educational agencies, child care providers, family service providers, and other providers of early childhood services, to help the providers described in this subparagraph increase their ability to work with low-income, at-risk children and their families;

''(G) to develop or maintain partnerships with institutions of higher education and nonprofit organizations, including community-based organizations, that recruit, train, place, and support college students to serve as mentors and reading coaches to preschool children in Head Start programs; and

''(H) to carry out other activities determined by the center to improve the overall quality of the Head Start program carried out by the agency and the program carried out under the bonus grant involved.

''(2) INVOLVEMENT OF OTHER HEAD START AGENCIES AND PROVIDERS.—A center that receives a bonus grant under subsection (b), in carrying out activities under this subsection, shall work with the center's delegate agencies, several additional Head Start agencies, and other providers of early childhood services in the community involved, to encourage the agencies and providers described in this sentence to carry out model programs.

''(e) RESEARCH AND REPORTS.—

''(1) RESEARCH.—The Secretary shall, subject to the availability of funds to carry out this subsection, make a grant to an independent organization to conduct research on the ability of the centers of excellence to improve the school readiness of children receiving Head Start services, and to positively impact school results in the earliest grades. The organization shall also conduct research to measure the success of the centers of excellence at encouraging the center's delegate agencies, additional Head Start agencies, and other providers of early childhood services in the communities involved to meet measurable improvement goals, particularly in the area of school readiness.

''(2) REPORT.—Not later than 48 months after the date of enactment of the Head Start Improvements for School Readiness Act, the organization shall prepare and submit to the Secretary and Congress a report containing the results of the research described in paragraph (1).

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal year 2006 and each subsequent fiscal year—

''(1) $90,000,000 to make bonus grants to centers of excellence under subsection (b) to carry out activities described in subsection (d);

''(2) $2,500,000 to pay for the administrative costs of the Secretary in carrying out this section, including the cost of a conference of centers of excellence; and

''(3) $2,000,000 for research activities described in subsection (e).''.

SEC. 10. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

Section 642 of the Head Start Act (42 U.S.C. 9837) is amended to read as follows:

''SEC. 642. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

''(a) IN GENERAL.—In order to be designated as a Head Start agency under this subchapter, an agency shall have authority under its charter or applicable law to receive and administer funds provided under this subchapter, funds and contributions from private or local public sources that may be used in support of a Head Start program, and funds provided under any Federal or State assistance program pursuant to which a public or private nonprofit or for-profit agency (as the case may be) organized in accordance with this subchapter, could act as a grantee, contractor, or sponsor of projects appropriate for inclusion in a Head Start program. Such an agency shall also be empowered to transfer funds so received, and to delegate powers to other agencies, subject to the powers of its governing board and its overall program responsibilities. The power to transfer funds and delegate powers shall include the power to make transfers and delegations covering component projects in all cases in which that power will contribute to efficiency and effectiveness or otherwise further program objectives.

''(b) ADDITIONAL REQUIREMENTS.—In order to be designated as a Head Start agency under this subchapter, a Head Start agency shall also—

''(1) establish a program with all standards set forth in section 641A(a)(1), with particular attention to the standards set forth in subparagraphs (A) and (B) of such section;

''(2) demonstrate the capacity to serve eligible children with scientifically based curricula and other interventions and support services that help promote the school readiness of children participating in the program;

''(3) establish effective procedures and provide for the regular assessment of Head Start children, including observational and direct formal assessment, where appropriate;

''(4) seek the involvement of parents, area residents, and local business in the design and implementation of the program;

''(5) provide for the regular participation of parents and area residents in the implementation of the program;

''(6) provide technical and other support needed to enable such parents and area residents to secure, on their own behalf, available assistance from public and private sources;

''(7) establish effective procedures to facilitate the involvement of parents of participating children in activities designed to help such parents become full partners in the education of their children, and to afford such parents the opportunity to participate in the development and overall conduct of the program at the local level;

''(8) conduct outreach to schools in which Head Start children will enroll, local educational agencies, the local business community, community-based organizations, faith-based organizations, museums, and libraries to generate support and leverage the resources of the entire local community in order to improve school readiness;

''(9) offer (directly or through referral to local entities, such as entities carrying out Even Start programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.)), to parents of participating children, family literacy services, and parenting skills training;

''(10) offer to parents of participating children substance abuse and other counseling (either directly or through referral to local entities), if needed, including information on the effect of drug exposure on infants and fetal alcohol syndrome;

''(11) at the option of such agency, offer (directly or through referral to local entities), to such parents—

''(A) training in basic child development (including cognitive development);

''(B) assistance in developing literacy and communication skills;

''(C) opportunities to share experiences with other parents (including parent mentor relationships);

''(D) regular in-home visitation; or

''(E) any other activity designed to help such parents become full partners in the education of their children;

''(12) provide, with respect to each participating family, a family needs assessment that includes consultation with such parents (including foster parents and grandparents, where applicable) about the benefits of parent involvement and about the activities described in this subsection in which such parents may choose to be involved (taking into consideration their specific family needs, work schedules, and other responsibilities);

''(13) consider providing services to assist younger siblings of children participating in its Head Start program, to obtain health services from other sources;

''(14) perform community outreach to encourage individuals previously unaffiliated with Head Start programs to participate in its Head Start program as volunteers;

''(15)(A) inform custodial parents in single-parent families that participate in programs, activities, or services carried out or provided under this subchapter about the availability of child support services for purposes of establishing paternity and acquiring child support; and

''(B) refer eligible parents to the child support offices of State and local governments;

''(16) provide parents of limited English proficient children outreach and information in an understandable and uniform format and, to the extent practicable, in a language that the parents can understand; and

''(17) at the option of such agency, partner with an institution of higher education and a nonprofit organization to provide college students with the opportunity to serve as mentors or reading coaches to Head Start participants.

''(c) PROGRESS.—

''(1) IN GENERAL.—Each Head Start agency shall take steps to ensure, to the maximum extent possible, that children maintain the developmental and educational gains achieved in Head Start programs and build upon such gains in further schooling.

''(2) COORDINATION.—

''(A) LOCAL EDUCATIONAL AGENCY.—In communities where both public prekindergarten programs and Head Start programs operate, a Head Start agency shall collaborate and coordinate activities with the local educational agency or other public agency responsible for the operation of the prekindergarten program and providers of prekindergarten, including outreach activities to identify eligible children.

''(B) ELEMENTARY SCHOOLS.—Head Start staff shall, with the permission of the parents of children enrolled in Head Start programs, regularly communicate with the elementary schools such children will be attending to—

''(i) share information about such children;

''(ii) get advice and support from the teachers in such elementary schools regarding teaching strategies and options; and

''(iii) ensure a smooth transition to elementary school for such children.

''(C) OTHER PROGRAMS.—The head of each Head Start agency shall coordinate activities and collaborate with the State agency responsible for administering the State program carried out under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.), other entities carrying out early childhood education and development programs, and the agencies responsible for administering section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a), parts B and E of title IV of the Social Security Act (42 U.S.C. 620 et seq. and 670 et seq.), programs under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), Even Start programs under subpart 3 of part B of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6381 et seq.), and programs under section 619 and part C of the Individuals with Disabilities Education Act (20 U.S.C. 1419, 1431 et seq.), serving the children and families served by the Head Start agency.

''(3) COLLABORATION.—A Head Start agency shall take steps to coordinate activities with the local educational agency serving the community involved and with schools in which children participating in a Head Start program operated by such agency will enroll following such program, including—

''(A) collaborating on the shared use of transportation and facilities;

''(B) collaborating to reduce the duplication of services while increasing the program participation of underserved populations of eligible children; and

''(C) exchanging information on the provision of noneducational services to such children.

''(4) PARENTAL INVOLVEMENT.—In order to promote the continued involvement of the parents of children that participate in Head Start programs in the education of their children upon transition to school, the Head Start agency shall—

''(A) provide training to the parents—

''(i) to inform the parents about their rights and responsibilities concerning the education of their children; and

''(ii) to enable the parents—

''(I) to understand and work with schools in order to communicate with teachers and other school personnel;

''(II) to support the schoolwork of their children; and

''(III) to participate as appropriate in decisions relating to the education of their children; and

''(B) take other actions, as appropriate and feasible, to support the active involvement of the parents with schools, school personnel, and school-related organizations.

''(d) ASSESSMENT.—Each Head Start agency shall adopt, in consultation with experts in child development and with classroom teachers, an assessment to be used when hiring or evaluating any classroom teacher in a center-based Head Start program. Such assessment shall measure whether such teacher has mastered the functions described in section 648A(a)(1) and attained a level of literacy appropriate to implement Head Start curricula.

''(e) FUNDED ENROLLMENT; WAITING LIST.—Each Head Start agency shall enroll 100 percent of its funded enrollment and maintain an active waiting list at all times with ongoing outreach to the community and activities to identify underserved populations.

''(f) TECHNICAL ASSISTANCE AND TRAINING PLAN.—In order to receive funds under this subchapter, a Head Start agency shall develop an annual technical assistance and training plan. Such plan shall be based on the agency's self-assessment, the community needs assessment, and the needs of parents to be served by such agency.''.

SEC. 11. HEAD START TRANSITION.

Section 642A of the Head Start Act (42 U.S.C. 9837a) is amended to read as follows:

''SEC. 642A. HEAD START TRANSITION AND ALIGNMENT WITH K–12 EDUCATION.

''Each Head Start agency shall take steps to coordinate activities with the local educational agency serving the community involved and with schools in which children participating in a Head Start program operated by such agency will enroll following such program, including—

''(1) developing and implementing a systematic procedure for transferring, with parental consent, Head Start program records for each participating child to the school in which such child will enroll;

''(2) establishing ongoing channels of communication between Head Start staff and their counterparts in the schools (including teachers, social workers, health staff, and local educational agency liaisons designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii))) to facilitate coordination of programs;

''(3) developing continuity of developmentally appropriate curricula and practice between the Head Start agency and local educational agency to ensure an effective transition and appropriate shared expectations for children's learning and development as the children make the transition to school;

''(4) conducting meetings involving parents, kindergarten or elementary school teachers, and Head Start teachers to discuss the educational, developmental, and other needs of individual children;

''(5) organizing and participating in joint training, including transition-related training of school staff and Head Start staff;

''(6) developing and implementing a family outreach and support program, in cooperation with entities carrying out parental involvement efforts under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.), and family outreach and support efforts under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.), taking into consideration the language needs of limited English proficient parents;

''(7) assisting families, administrators, and teachers in enhancing educational and developmental continuity and continuity of parental involvement in activities between Head Start services and elementary school classes;

''(8) linking the services provided in such Head Start program with the education services, including services relating to language, literacy, and numeracy, provided by such local educational agency;

''(9) helping parents understand the importance of parental involvement in a child's academic success while teaching the parents strategies for maintaining parental involvement as their child moves from the Head Start program to elementary school;

''(10) developing and implementing a system to increase program participation of underserved populations of eligible children, including children with disabilities, homeless children, children in foster care, and limited English proficient children; and

''(11) coordinating activities and collaborating to ensure that curricula used in the Head Start program is aligned with State early learning standards with regard to cognitive, social, emotional, and physical competencies that children entering kindergarten are expected to demonstrate.''.

SEC. 12. SUBMISSION OF PLANS TO GOVERNORS.

Section 643 of the Head Start Act (42 U.S.C. 9838) is amended—

(1) in the first sentence—

(A) by inserting ''for approval'' after ''submitted to the chief executive officer of the State''; and

(B) by striking ''45'' and inserting ''30''; and

(2) in the last sentence, by inserting ''to Indian and migrant and seasonal Head Start programs in existence on the date of enactment of the Head Start Improvements for School Readiness Act, or'' after ''other assistance''.

SEC. 13. PARTICIPATION IN HEAD START PROGRAMS.

Section 645(a) of the Head Start Act (42 U.S.C. 9840(a)) is amended—

(1) in paragraph (1)(A), by inserting ''130 percent of'' after ''below''; and

(2) by adding at the end the following:

''(3)(A) In this paragraph:

''(i) The term 'dependent' has the meaning given the term in paragraphs (2)(A) and (4)(A)(i) of section 401(a) of title 37, United States Code.

''(ii) The terms 'member' and 'uniformed services' have the meanings given the terms in paragraphs (23) and (3), respectively, of section 101 of title 37, United States Code.

''(B) The following amounts of pay and allowance of a member of the uniformed services shall not be considered to be income for purposes of determining the eligibility of a dependent of such member for programs funded under this subchapter:

''(i) The amount of any special pay payable under section 310 if title 37, United States Code, relating to duty subject to hostile fire or imminent danger.

''(ii) The amount of basic allowance payable under section 403 of such title, including any such amount that is provided on behalf of the member for housing that is acquired or constructed under the alternative authority for the acquisition and improvement of military housing under subchapter IV of chapter 169 of title 10, United States Code, or any other related provision of law.

''(4) After demonstrating a need through a community needs assessment, a Head Start agency may apply to the Secretary to convert part-day sessions, particularly consecutive part-day sessions, into full-day sessions.''.

SEC. 14. EARLY HEAD START PROGRAMS.

Section 645A of the Head Start Act (42 U.S.C. 9840a) is amended—

(1) by striking the section heading and inserting the following:

''SEC. 645A. EARLY HEAD START PROGRAMS.'';

(2) in subsection (b)—

(A) in paragraph (4), by striking ''provide services to parents to support their role as parents'' and inserting ''provide additional services to parents to support their role as parents (including parenting skills training and training in basic child development)'';

(B) by redesignating paragraphs (5), (6), (7), (8), and (9) as paragraphs (6), (7), (10), (11), and (12), respectively;

(C) by inserting after paragraph (4) the following:

''(5) where appropriate and in conjunction with services provided under this section to the children's immediate families (or as approved by the Secretary), provide home-based services to family child care homes and kin caregivers caring for infants and toddlers who also participate in Early Head Start programs, to provide continuity in supporting the children's physical, social, emotional, and intellectual development;'';

(D) in paragraph (6), as redesignated by subparagraph (B)—

(i) by inserting ''(including home-based services)'' after ''with services''; and

(ii) by inserting '', and family support services'' after ''health services'';

(E) by inserting after paragraph (7), as redesignated by subparagraph (B), the following:

''(8) develop and implement a systematic procedure for transitioning children and parents from an Early Head Start program into a Head Start program or another local early childhood education program;

''(9) establish channels of communication between staff of Early Head Start programs and staff of Head Start programs or other local early childhood education programs, to facilitate the coordination of programs;''; and

(F) in paragraph (11), as redesignated by subparagraph (B)—

(i) by striking ''and providers'' and inserting '', providers''; and

(ii) by inserting '', and the agencies responsible for administering section 106 of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5106a) and parts B and E of title IV of the Social Security Act (42 U.S.C. 620 et seq. and 670 et seq.)'' after ''(20 U.S.C. 1400 et seq.)'';

(3) in subsection (d)—

(A) in paragraph (1), by inserting '', including tribal governments and entities operating migrant and seasonal Head Start programs'' after ''subchapter''; and

(B) in paragraph (2), by inserting '', including community-based organizations'' after ''private entities'';

(4) in subsection (g)(2)(B), by striking clause (iv) and inserting the following:

''(iv) providing professional development and personnel enhancement activities, including the provision of funds to recipients of grants under subsection (a), relating to—

''(I) effective methods of conducting parent education, home visiting, and promoting quality early childhood development;

''(II) recruiting and retaining qualified staff; and

''(III) increasing program participation for underserved populations of eligible children.'';

(5) by adding at the end the following:

''(h) STAFF QUALIFICATIONS AND DEVELOPMENT.—

''(1) CENTER-BASED STAFF.—The Secretary shall ensure that, not later than September 30, 2010, all teachers providing direct services to Early Head Start children and families in Early Head Start centers have a minimum of a child development associate credential or an associate degree, and have been trained (or have equivalent course work) in early childhood development.

''(2) HOME VISITOR STAFF.—

''(A) STANDARDS.—In order to further enhance the quality of home visiting services provided to families of children participating in home-based, center-based, or combination program options under this subchapter, the Secretary shall establish standards for training, qualifications, and the conduct of home visits for home visitor staff in Early Head Start programs.

''(B) CONTENTS.—The standards for training, qualifications, and the conduct of home visits shall include content related to—

''(i) structured child-focused home visiting that promotes parents' ability to support the child's cognitive, social, emotional, and physical development;

''(ii) effective strengths-based parent education, including methods to encourage parents as their child's first teachers;

''(iii) early childhood development with respect to children from birth through age 3;

''(iv) methods to help parents promote emergent literacy in their children from birth through age 3, including use of research-based strategies to support the development of literacy and language skills for children who are limited English proficient;

''(v) health, vision, hearing, and developmental screenings;

''(vi) strategies for helping families coping with crisis; and

''(vii) the relationship of health and well-being of pregnant women to prenatal and early child development.''.

SEC. 15. APPEALS, NOTICE, AND HEARING AND RECORDS AND AUDITS.

(a) APPEALS.—Section 646(a) of the Head Start Act (42 U.S.C. 9841(a)) is amended by striking paragraphs (3) and (4) and inserting the following:

''(3) financial assistance under this subchapter may be terminated or reduced, and an application for funding may be denied, after the recipient has been afforded reasonable notice and opportunity for a full and fair hearing, including—

''(A) a right to file a notice of appeal of a decision within 30 days of notice of the decision from the Secretary; and

''(B) access to a full and fair hearing of the appeal, not later than 120 days from receipt by the Secretary of the notice of appeal;

''(4) the Secretary shall develop and publish procedures (including mediation procedures) to be used in order to—

''(A) resolve in a timely manner conflicts potentially leading to an adverse action between—

''(i) recipients of financial assistance under this subchapter; and

''(ii) delegate agencies or Head Start Parent Policy Councils;

''(B) avoid the need for an administrative hearing on an adverse action; and

''(C) prohibit a Head Start agency from expending financial assistance awarded under this subchapter for the purpose of paying legal fees pursuant to an appeal under paragraph (3), except that such fees shall be reimbursed by the Secretary if the agency prevails in such decision; and

''(5) the Secretary may suspend funds to a grantee for not more than 30 days.''.

(b) RECIPIENTS.—Section 647(a) of the Head Start Act (42 U.S.C. 9842(a)) is amended by striking ''Each recipient of'' and inserting ''Each Head Start agency, Head Start center, or Early Head Start center receiving''.

(c) ACCOUNTING.—Section 647 of the Head Start Act (42 U.S.C. 9842) is amended by adding at the end the following:

''(c) Each Head Start agency, Head Start center, or Early Head Start center receiving financial assistance under this subchapter shall maintain, and annually submit to the Secretary, a complete accounting of its administrative expenses, including expenses for salaries and compensation funded under this subchapter and provide such additional documentation as the Secretary may require.''.

SEC. 16. TECHNICAL ASSISTANCE AND TRAINING.

Section 648 of the Head Start Act (42 U.S.C. 9843) is amended—

(1) in subsection (a)(2), by striking ''(b) and (c)'' and inserting ''(b), (c), and (d)'';

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively;

(3) by inserting after subsection (a) the following:

''(b) The Secretary shall make available funds set aside in section 640(a)(2)(C)(ii) to support a regional or State system of early childhood education training and technical assistance that improves the capacity of Head Start programs to deliver services in accordance with the standards described in section 641A(a)(1), with particular attention to the standards described in subparagraphs (A) and (B) of such section. The Secretary shall—

''(1) ensure that agencies with demonstrated expertise in providing high-quality training and technical assistance to improve the delivery of Head Start services, including the State Head Start Associations, State agencies, migrant and seasonal Head Start programs, and other entities providing training and technical assistance in early education, for the region or State are included in the planning and coordination of the system; and

''(2) encourage States to supplement the funds authorized in section 640(a)(2)(C)(ii) with Federal, State, or local funds other than Head Start funds, to expand training and technical assistance activities beyond Head Start agencies to include other providers of other early childhood services within a region or State.'';

(4) in subsection (d), as so redesignated—

(A) in paragraph (1)(B)(ii), by striking ''educational performance measures'' and inserting ''measures'';

(B) in paragraph (2), by inserting ''and for activities described in section 1221(b)(3) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6371(b)(3))'' after ''children with disabilities'';

(C) in paragraph (5), by inserting '', including assessing the needs of homeless children and their families'' after ''needs assessment'';

(D) in paragraph (10), by striking ''; and'' and inserting a semicolon;

(E) in paragraph (11), by striking the period and inserting a semicolon; and

(F) by adding at the end the following:

''(12) assist Head Start agencies and programs in increasing the program participation of homeless children;

''(13) provide training and technical assistance to members of governing bodies to ensure that the members can fulfill the functions described in section 641(a)(4);

''(14) provide training and technical assistance to Head Start agencies to assist such agencies in conducting self-assessments; and

''(15) assist Head Start agencies and Head Start programs in improving outreach to, and quality of services available to, limited English proficient children and their families, including such services to help such families learn English, particularly in communities that have experienced a large percentage increase in the population of limited English proficient individuals, as measured by the Bureau of the Census.'';

(5) in subsection (e), as so redesignated, by inserting ''including community-based organizations,'' after ''nonprofit entities'';

(6) in subsection (f), as so redesignated, by inserting ''or providing services to children determined to be abused or neglected, training for personnel providing services to children referred by entities providing child welfare services or receiving child welfare services,'' after ''English language),''; and

(7) by adding at the end the following:

''(g) The Secretary shall provide, either directly or through grants or other arrangements, funds for training of Head Start personnel in addressing the unique needs of migrant and seasonal farmworking families, families with limited English proficiency, and homeless families.

''(h) Funds used under this section shall be used to provide high quality, sustained, and intensive, training and technical assistance in order to have a positive and lasting impact on classroom instruction. Funds shall be used to carry out activities related to 1 or more of the following:

''(1) Education and early childhood development.

''(2) Child health, nutrition, and safety.

''(3) Family and community partnerships.

''(4) Other areas that impact the quality or overall effectiveness of Head Start programs.

''(i) Funds used under this section for training shall be used for needs identified annually by a grant applicant or delegate agency in its program improvement plan, except that funds shall not be used for long-distance travel expenses for training activities—

''(1) available locally or regionally; or

''(2) substantially similar to locally or regionally available training activities.

''(j)(1) To support local efforts to enhance early language and preliteracy development of children in Head Start programs, and to provide the children with high-quality oral language skills, and environments that are rich in literature, in which to acquire language and preliteracy skills, each Head Start agency, in coordination with the appropriate State office and the relevant State Head Start collaboration office, shall ensure that all of the agency's Head Start teachers receive ongoing training in language and emergent literacy (referred to in this subsection as 'literacy training'), including appropriate curricula and assessments to improve instruction and learning. Such training shall include training in methods to promote phonological and phonemic awareness and vocabulary development in an age-appropriate and culturally and linguistically appropriate manner.

''(2) The literacy training shall be provided at the local level in order—

''(A) to be provided, to the extent feasible, in the context of the Head Start programs of the State involved and the children the program serves; and

''(B) to be tailored to the early childhood literacy background and experience of the teachers involved.

''(3) The literacy training shall be culturally and linguistically appropriate and support children's development in their home language.

''(4) The literacy training shall include training in how to work with parents to enhance positive language and early literacy development at home.

''(5) The literacy training shall include specific methods to best address the needs of children who are English language learners or are limited English proficient.

''(6) The literacy training shall include specific methods to best address the needs of children who have speech and language delays, including problems with articulation, or have other disabilities.''.

SEC. 17. STAFF QUALIFICATION AND DEVELOPMENT.

Section 648A of the Head Start Act (42 U.S.C. 9843a) is amended—

(1) in subsection (a)—

(A) by striking paragraph (2) and inserting the following:

''(2) DEGREE REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary shall ensure that—

''(i) not later than September 30, 2010, all Head Start teachers in center-based programs have at least—

''(I)(aa) an associate degree (or equivalent coursework) relating to early childhood; or

''(bb) an associate degree in a related educational area and, to the extent practicable, coursework relating to early childhood; and

''(II) demonstrated teaching competencies, as determined by the program director involved (including, at a minimum, an appropriate level of literacy, a demonstrated capacity to be highly engaged with children, and a demonstrated ability to effectively implement an early childhood curriculum); and

''(ii) not later than September 30, 2008, all Head Start curriculum specialists and education coordinators in center-based programs have—

''(I) the capacity to offer assistance to other teachers in the implementation and adaptation of curricula to the group and individual needs of a class; and

''(II)(aa) a baccalaureate or advanced degree relating to early childhood; or

''(bb) a baccalaureate or advanced degree and coursework equivalent to a major relating to early childhood;

''(iii) not later than September 30, 2008, all Head Start teaching assistants in center-based programs have—

''(I) at least a child development associate credential;

''(II) enrolled in a program leading to an associate or baccalaureate degree; or

''(III) enrolled in a child development associate credential program to be completed within 2 years; and

''(iv) not later than September 30, 2011—

''(I) in States that have established teacher requirements for State prekindergarten programs, all Head Start teachers in center-based programs—

''(aa) if such requirements are not less than those requirements described in subclause (II), meet such teacher requirements for State prekindergarten programs; and

''(bb) if such requirements are less than those requirements described in subclause (II), meet the requirements described in subclause (II); and

''(II) in States that do not have teacher requirements for their State prekindergarten programs, 50 percent of all Head Start teachers in each center-based program have a baccalaureate degree relating to early childhood (or a related educational area or a baccalaureate degree that meets State specialized training requirements for prekindergarten teachers, such as State licensure, endorsement, or certification for prekindergarten or other early childhood area), and demonstrated teaching competencies, as determined by the program director involved (including, at a minimum, an appropriate level of literacy, a demonstrated capacity to be highly engaged with children, and a demonstrated ability to effectively implement an early childhood curriculum).

''(B) TEACHER IN-SERVICE REQUIREMENT.—Each Head Start teacher shall attend an average of not less than 15 clock hours of professional development per year. Such professional development shall be high quality, sustained, intensive, and classroom-focused in order to have a positive and lasting impact on classroom instruction and the teacher's performance in the classroom, and regularly evaluated for effectiveness.

''(C) PROGRESS.—

''(i) REPORT.—The Secretary shall—

''(I) require Head Start agencies to—

''(aa) demonstrate continuing progress each year to reach the result described in subparagraph (A);

''(bb) submit to the Secretary a report indicating the number and percentage of classroom instructors in center-based programs with child development associate credentials or associate, baccalaureate, or graduate degrees; and

''(II) compile and submit a summary of all program reports described in subclause (I)(bb) to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.

''(ii) DEMONSTRATE PROGRESS.—A Head Start agency may demonstrate progress by partnering with institutions of higher education or other programs that recruit, train, place, and support college students to deliver an innovative early learning program to preschool children.

''(D) SERVICE REQUIREMENTS.—The Secretary shall establish requirements to ensure that, in order to enable Head Start agencies to comply with the requirements of subparagraph (A), individuals who receive financial assistance under this subchapter to pursue a degree described in subparagraph (A) shall—

''(i) teach or work in a Head Start program for a minimum of 3 years after receiving the degree; or

''(ii) repay the total or a prorated amount of the financial assistance received based on the length of service completed after receiving the degree.''; and

(B) by striking paragraphs (3) and (4) and inserting the following:

''(3) WAIVER.—

''(A) IN GENERAL.—On request, the Secretary may grant a waiver of the postsecondary degree requirements of paragraph (2) for 1 or more Head Start agencies, either individually, statewide, or throughout a region, that can demonstrate—

''(i) that continuing aggressive statewide and national efforts have been unsuccessful at recruiting an individual to serve as a Head Start teacher or curriculum specialist or education coordinator who meets the requirements of paragraph (2)(A);

''(ii) limited access to degree programs (including quality distance learning programs), due to the remote location of the program involved; or

''(iii) that Head Start staff members are, as of the day the waiver is granted, enrolled in a program that—

''(I) grants the required degree; and

''(II) will be completed within 1 year.

''(B) LIMITATION.—An agency that receives a waiver under subparagraph (A) shall ensure that Head Start teachers for the agency, as of the day the waiver is granted, who have not met the postsecondary degree requirements of paragraph (2) but are otherwise highly qualified and competent shall be directly and appropriately supervised by a teacher who has met or exceeded the requirements of this subchapter.

''(C) DURATION.—The Secretary may not grant a waiver under subparagraph (A) for a period that exceeds 1 year.'';

(2) in subsection (c)—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(4) promote the use of appropriate strategies to meet the needs of special populations (including limited English proficient populations).'';

(3) in subsection (d)(3)(C) by inserting '', including a center,'' after ''any agency''; and

(4) by adding at the end the following:

''(f) PROFESSIONAL DEVELOPMENT PLANS.—Every Head Start agency and center shall create, in consultation with employees of the agency or center (including family service workers), a professional development plan for employees who provide direct services to children, including a plan for classroom teachers, curriculum specialists, and education coordinators to meet the requirements set forth in subsection (a).''.

SEC. 18. TRIBAL COLLEGES AND UNIVERSITIES HEAD START PARTNERSHIP.

The Head Start Act (42 U.S.C. 9831 et seq.) is amended by inserting after section 648A the following:

''SEC. 648B. TRIBAL COLLEGE OR UNIVERSITY HEAD START PARTNERSHIP PROGRAM.

''(a) PURPOSE.—The purpose of this section is to promote social competencies and school readiness in Indian children.

''(b) TRIBAL COLLEGE OR UNIVERSITY HEAD START PARTNERSHIP PROGRAM.—

''(1) GRANTS.—The Secretary is authorized to award grants, for periods of not less than 5 years, to Tribal Colleges and Universities to—

''(A) implement education programs that include education concerning tribal culture and language and increase the number of associate, baccalaureate, and graduate degrees

in early childhood education and related fields that are earned by Indian Head Start agency staff members, parents of children served by such an agency, and members of the tribal community involved;

''(B) develop and implement the programs under subparagraph (A) in technology-mediated formats, including providing the programs through such means as distance learning and use of advanced technology, as appropriate; and

''(C) provide technology literacy programs for Indian Head Start agency staff members and children and families of children served by such an agency.

''(2) STAFFING.—The Secretary shall ensure that the American Indian Programs Branch of the Head Start Bureau of the Department of Health and Human Services shall have staffing sufficient to administer the programs under this section and to provide appropriate technical assistance to Tribal Colleges and Universities receiving grants under this section.

''(c) APPLICATION.—Each Tribal College or University desiring a grant under this section shall submit an application to the Secretary, at such time, in such manner, and containing such information as the Secretary may require, including a certification that the Tribal College or University has established a partnership with 1 or more Indian Head Start agencies for the purpose of conducting the activities described in subsection (b).

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $10,000,000 for fiscal year 2006 and such sums as may be necessary for each of fiscal years 2007 through 2010.

''(e) DEFINITIONS.—In this section:

''(1) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given such term in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a)).

''(2) TRIBAL COLLEGE OR UNIVERSITY.—The term 'Tribal College or University'—

''(A) has the meaning given such term in section 316 of the Higher Education Act of 1965 (20 U.S.C. 1059c); and

''(B) means an institution determined to be accredited or a candidate for accreditation by a nationally recognized accrediting agency or association.''.

SEC. 19. RESEARCH, DEMONSTRATIONS, AND EVALUATION.

Section 649 of the Head Start Act (42 U.S.C. 9844) is amended—

(1) in subsection (a)(1)(B), by inserting ''and children determined to be abused or neglected'' after ''children with disabilities'';

(2) in subsection (d)—

(A) in paragraph (8), by adding ''and'' after the semicolon;

(B) by striking paragraph (9);

(C) by redesignating paragraph (10) as paragraph (9); and

(D) by striking the last sentence;

(3) in subsection (g)—

(A) in paragraph (1)(A)—

(i) by striking clause (i); and

(ii) by redesignating clauses (ii) and (iii) as clauses (i) and (ii), respectively; and

(B) in paragraph (7)(C)—

(i) in clause (i)(I), by striking ''2003'' and inserting ''2007''; and

(ii) in clause (ii), by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(4) by striking subsection (h) and inserting the following:

''(h) NATIONAL ACADEMY OF SCIENCES STUDY.—

''(1) IN GENERAL.—The Secretary shall enter into a contract with the Board on Children, Youth, and Families of the National Research Council, the Board on Testing and Assessments, and the Institute of Medicine, of the National Academy of Sciences to establish an independent panel of experts to review and synthesize research and theories in the social, behavioral, and biological sciences regarding early childhood, and make recommendations with regard to each of the following:

''(A) Age- and developmentally appropriate Head Start academic requirements and outcomes, including the standards described in section 641A(a)(1)(B)(ii).

''(B) Differences in the type, length, mix, and intensity of services that are necessary to ensure that children from challenging family or social backgrounds (including low-income children, children with disabilities, and limited English proficient children) enter kindergarten ready to succeed.

''(C) Appropriate assessments of young children for the purposes of improving instruction, services, and program quality, including—

''(i) formal and systematic observational assessments in a child's natural environment;

''(ii) assessments of children's development through parent and provider interviews;

''(iii) appropriate accommodations for children with disabilities and limited English proficient children;

''(iv) appropriate assessments for children with disabilities, limited English proficient children, and children from different cultural backgrounds; and

''(v) other assessments used in Head Start programs.

''(D) Identification of existing, or recommendations for the development of, scientifically based, valid and reliable assessments that are capable of measuring child outcomes in the domains important to school readiness, including language skills, prereading ability, premathematics ability, cognitive ability, scientific ability, social and emotional development, and physical development;

''(E) Appropriate use and application of valid and reliable assessments for Head Start programs identified in accordance with subparagraph (D).

''(2) COMPOSITION.—

''(A) IN GENERAL.—The panel described in paragraph (1) shall consist of multiple experts in each of the following areas:

''(i) Child development (including cognitive, social, emotional, and physical development) and child education (including approaches to learning).

''(ii) Professional development, including preparation of individuals who teach young children.

''(iii) Assessment of young children (including children with disabilities and limited English proficient children), including screening, diagnostic, and classroom-based instructional assessment.

''(B) REPRESENTATIVES.—The panel described in paragraph (1) shall be selected and appointed by the National Academy of Sciences, after consultation with the Secretary of Health and Human Services.

''(3) TIMING.—

''(A) ESTABLISHMENT.—Not later than 90 days after the date of enactment of the Head Start Improvements for School Readiness Act, the Board on Children, Youth, and Families of the National Research Council, the Board on Testing and Assessments, and the Institute of Medicine, of the National Academy of Sciences shall establish the panel described in paragraph (1), including selecting and appointing the members of the panel. Representatives described in paragraph (2) shall be selected and appointed after consultation with the Secretary.

''(B) RECOMMENDATIONS.—Not later than 1 year after the panel described in paragraph (1) is established, the panel shall complete, and submit to the Secretary a report containing, the recommendations described in paragraph (1). The Secretary shall not implement the amendments made to section 641A(a)(1)(B)(ii) by the Head Start Improvements for School Readiness Act until the panel submits the report.

''(4) APPLICATION OF PANEL REPORT.—The Secretary shall use the results of the review and recommendations described in paragraph (1) to (where appropriate) develop, inform, and revise—

''(A) the educational standards, and the performance measures, described in section 641A; and

''(B) the assessments utilized in the Head Start programs.

''(i) SERVICES TO LIMITED ENGLISH PROFICIENT CHILDREN AND FAMILIES.—

''(1) STUDY.—The Secretary shall conduct a study on the status of limited English proficient children and their families in Head Start or Early Head Start programs.

''(2) REPORT.—The Secretary shall prepare and submit to Congress, not later than September 2009, a report containing the results of the study, including information on—

''(A) the demographics of limited English proficient children from birth through age 5, including the number of such children receiving Head Start or Early Head Start services and the geographic distribution of children described in this subparagraph;

''(B) the nature of Head Start or Early Head Start services provided to limited English proficient children and their families, including the types, content, duration, intensity, and costs of family services, language assistance, and educational services;

''(C) procedures in Head Start programs for the assessment of language needs and the transition of limited English proficient children to kindergarten, including the extent to which Head Start programs meet the requirements of section 642A for limited English proficient children;

''(D) the qualifications and training provided to Head Start and Early Head Start teachers serving limited English proficient children and their families;

''(E) the rate of progress made by limited English proficient children and their families in Head Start programs and Early Head Start programs, including—

''(i) the rate of progress of the limited English proficient children toward meeting the additional educational standards described in section 641A(a)(1)(B)(ii) while enrolled in Head Start programs, measured between 1990 and 2004;

''(ii) the correlation between such progress and the type of instruction and educational program provided to the limited English proficient children; and

''(iii) the correlation between such progress and the health and family services provided by Head Start programs to limited English proficient children and their families; and

''(F) the extent to which Head Start programs make use of funds under section 640(a)(3) to improve the quality of Head Start services provided to limited English proficient children and their families.''.

SEC. 20. REPORTS.

Section 650 of the Head Start Act (42 U.S.C. 9846) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions'';

(B) in paragraph (8), by inserting ''homelessness, children in foster care, children who are abused or neglected,'' after ''ethnic background,''; and

(C) in the flush matter at the end by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''; and

(2) in subsection (b), by striking ''Labor and Human Resources'' and inserting ''Health, Education, Labor, and Pensions''.

SEC. 21. COMPARABILITY OF WAGES.

Section 653 of the Head Start Act (42 U.S.C. 9848) is amended—

(1) by striking ''The Secretary shall take'' and inserting ''(a) The Secretary shall take'';

(2) in the first sentence of subsection (a), by striking ''or (2)'' and inserting ''(2) in excess of the salary of the Secretary, in the case of an individual compensated with funds awarded under this subchapter or the Community Services Block Grant Act (42 U.S.C. 9901 et seq.); or (3)''; and

(3) by adding at the end the following:

''(b) If in any fiscal year the restriction described in subsection (a)(2) is violated, the Secretary shall withhold from the base grant of the Head Start agency involved (as defined in section 641A(g)(1)) for the next fiscal year, an amount equal to the aggregate amount by which the salary that resulted in the violation exceeded the salary of the Secretary.''.

SEC. 22. LIMITATION WITH RESPECT TO CERTAIN UNLAWFUL ACTIVITIES.

Section 655 of the Head Start Act (42 U.S.C. 9850) is amended by inserting ''or in'' after ''assigned by''.

SEC. 23. POLITICAL ACTIVITIES.

Section 656 of the Head Start Act (42 U.S.C. 9851) is amended—

(1) by striking all that precedes ''chapter 15'' and inserting the following:

''SEC. 656. POLITICAL ACTIVITIES.

''(a) STATE OR LOCAL AGENCY.—For purposes of''; and

(2) by striking subsection (b) and inserting the following:

''(b) RESTRICTIONS.—

''(1) IN GENERAL.—A program assisted under this subchapter, and any individual employed by, or assigned to, a program assessed under this subchapter (during the hours in which such individual is working on behalf of such program), shall not engage in—

''(A) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office;

''(B) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or

''(C) any voter registration activity.

''(2) RULES AND REGULATIONS.—The Secretary, after consultation with the Director of the Office of Personnel Management, may issue rules and regulations to provide for the enforcement of this section, which may include provisions for summary suspension of assistance or other action necessary to permit enforcement on an emergency basis.''.

SEC. 24. PARENTAL CONSENT REQUIREMENT FOR HEALTH SERVICES.

The Head Start Act (42 U.S.C. 9831 et seq.) is amended by adding at the end the following new section:

''SEC. 657A. PARENTAL CONSENT REQUIREMENT FOR NONEMERGENCY INTRUSIVE PHYSICAL EXAMINATIONS.

''(a) DEFINITION.—The term 'nonemergency intrusive physical examination' means, with respect to a child, a physical examination that—

''(1) is not immediately necessary to protect the health or safety of the child or the health or safety of another individual; and

''(2) requires incision or is otherwise invasive, or involves exposure of private body parts.

''(b) REQUIREMENT.—A Head Start agency shall obtain written parental consent before administration of, or referral for, any health care service provided or arranged to be provided, including any nonemergency intrusive physical examination of a child in connection with participation in a program under this subchapter.

''(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to prohibit agencies from using established methods, for handling cases of suspected or known child abuse and neglect, that are in compliance with applicable Federal, State, or tribal law.''.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 152—WELCOMING HIS EXCELLENCY HAMID KARZAI, THE PRESIDENT OF AFGHANISTAN, AND EXPRESSING SUPPORT FOR A STRONG AND ENDURING STRATEGIC PARTNERSHIP BETWEEN THE UNITED STATES AND AFGHANISTAN.

Mr. HAGEL (for himself, Mr. LUGAR, Mr. BIDEN, and Mr. REID) submitted the following resolution; which was considered and agreed to:

S. RES. 152

Whereas Afghanistan has suffered the ravages of war, foreign occupation, and oppression;

Whereas following the terrorist attacks of September 11, 2001, the United States launched Operation Enduring Freedom, which helped to establish an environment in which the people of Afghanistan are building the foundations for a democratic government;

Whereas, on January 4, 2004, the Constitutional Loya Jirga of Afghanistan adopted a constitution that provides for equal rights for full participation of women, mandates full compliance with international norms for human and civil rights, establishes procedures for free and fair elections, creates a system of checks and balances between the executive, legislative, and judicial branches, encourages a free market economy and private enterprise, and obligates the state to prevent terrorist activity and the production and trafficking of narcotics;

Whereas, on October 9, 2004, approximately 8,400,000 Afghans, including nearly 3,500,000 women, voted in Afghanistan's first direct Presidential election at the national level, demonstrating commitment to democracy, courage in the face of threats of violence, and a deep sense of civic responsibility;

Whereas, on December 7, 2004, Hamid Karzai took the oath of office as the first democratically elected President in the history of Afghanistan;

Whereas nationwide parliamentary elections are planned in Afghanistan for September 2005, further demonstrating the Afghan people's will to live in a democratic state, and the commitment of the Government of Afghanistan to democratic norms;

Whereas the Government of Afghanistan is committed to halting the cultivation and trafficking of narcotics and has pursued, in cooperation with the United States and its allies, a wide range of counter-narcotics initiatives;

Whereas the United States and the international community are working to assist Afghanistan's counter-narcotics campaign by supporting programs to provide alternative livelihoods for farmers, sustainable economic development, and capable Afghan security forces; and

Whereas, on March 17, 2005, Secretary of State Condoleezza Rice said of Afghanistan ''this country was once a source of terrorism; it is now a steadfast fighter against terrorism. There could be no better story than the story of Afghanistan in the last several years and there can be no better story than the story of American and Afghan friendship. It is a story of cooperation and friendship that will continue. We have a long-term commitment to this country'': Now, therefore, be it

Resolved, That the Senate—

(1) welcomes, as an honored guest and valued friend of the United States, President Hamid Karzai on the occasion of his visit to the United States as the first democratically elected President of Afghanistan scheduled for May 21 through 25, 2005;

(2) supports a democratic, stable, and prosperous Afghanistan as essential to the security of the United States; and

(3) supports a strong and enduring strategic partnership between the United States and Afghanistan as a primary objective of both countries to advance their shared vision of peace, freedom, security and broad-based economic development in Afghanistan, the broader South Asia region, and throughout the world.

SENATE RESOLUTION 153—EXPRESSING THE SUPPORT OF CONGRESS FOR THE OBSERVATION OF THE NATIONAL MOMENT OF REMEMBRANCE AT 3:00 PM LOCAL TIME ON THIS AND EVERY MEMORIAL DAY TO ACKNOWLEDGE THE SACRIFICES MADE ON THE BEHALF OF ALL AMERICANS FOR THE CAUSE OF LIBERTY

Mr. LIEBERMAN (for himself and Mr. SESSIONS) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 153

Whereas Americans have been formally recognizing the sacrifice of those who gave their lives in the service of their country since 1868 when General John A. Logan, Commander of the Grand Army of the Republic, designated May 30 as Decoration Day;

Whereas those early commemorations encouraged Americans to decorate the graves of war dead with flowers so that, as General Logan stated, ''We should guard their graves with sacred vigilance . . . Let pleasant paths invite the coming and going of reverent visitors and fond mourners. Let no neglect, no ravages of time, testify to the present or to the coming generations that we have forgotten as a people the cost of a free and undivided republic.'';

Whereas in these times of challenge, when Americans have once again answered the call to defend freedom, it is as important as ever that all Americans take time to honor those brave men and women who throughout our Nation's history have given their lives in the cause of liberty;

Whereas in 2000, President Clinton signed into law ''The National Moment of Remembrance Act'' to encourage Americans to pause at 3:00 pm local time on Memorial Day for a minute of silence to remember and honor those who have died in the service of their Nation; and

Whereas the National Moment of Remembrance brings the country together in unity of purpose, to honor the sacrifice of those who have died for their Nation, and to rededicate all Americans to the original spirit of Decoration Day: Now, therefore, be it