

107TH CONGRESS
2D SESSION

S. 2758

Entitled “The Child Care and Development Block Grant Amendments Act”.

IN THE SENATE OF THE UNITED STATES

JULY 18, 2002

Mr. DODD (for himself, Ms. SNOWE, Mr. JEFFORDS, Mr. REED, Mr. BINGAMAN, Mrs. CLINTON, Mrs. MURRAY, and Mr. EDWARDS) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

Entitled “The Child Care and Development Block Grant Amendments Act”.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Access to High Quality Child Care Act” or as the “2002
6 **ACCESS Act**”.

7 (b) **TABLE OF CONTENTS.**—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—ACCESS TO HIGH QUALITY CARE

- Sec. 101. Goals.
- Sec. 102. Authorization of appropriations.
- Sec. 103. Lead agency.
- Sec. 104. State plan requirements.
- Sec. 105. Child care quality improvements.
- Sec. 106. Improving parent access to quality child care by improving rates of reimbursement.
- Sec. 107. Administration and enforcement.
- Sec. 108. Improving data about families receiving subsidies.
- Sec. 109. Child care research and data.
- Sec. 110. Activities for infants and toddlers and children in other special populations.
- Sec. 111. Resource and referral services and other activities.
- Sec. 112. Funds for Indian tribes.
- Sec. 113. Miscellaneous provisions.
- Sec. 114. Definitions.

TITLE II—QUALITY CHILD CARE INITIATIVES

Subtitle A—Child Care Centers in Federal Facilities

- Sec. 201. Short title.
- Sec. 202. Definitions.
- Sec. 203. Providing quality child care in Federal facilities.
- Sec. 204. Federal child care evaluation.
- Sec. 205. Miscellaneous provisions relating to child care provided by Federal agencies.

Subtitle B—Technical and Financial Assistance Grants

- Sec. 211. Grants.

Subtitle C—Improving the Availability of Books

- Sec. 221. Short title.
- Sec. 222. Findings.
- Sec. 223. Definitions.
- Sec. 224. Grants to State agencies.
- Sec. 225. Contracts to child care resource and referral organizations.
- Sec. 226. Use of funds.
- Sec. 227. Report to Congress.
- Sec. 228. Special postage stamps for child literacy.
- Sec. 229. Authorization of appropriations.

TITLE III—EARLY CARE AND EDUCATION

- Sec. 301. Short title.
- Sec. 302. Findings.
- Sec. 303. Purposes.
- Sec. 304. Definitions.
- Sec. 305. Allotment formula.
- Sec. 306. General incentive grants.
- Sec. 307. Lead agency and advisory council.
- Sec. 308. State plans and application.
- Sec. 309. Use of funds.
- Sec. 310. State improvement bonus grants.
- Sec. 311. Administration.

- Sec. 312. Reports to Secretaries.
- Sec. 313. Performance improvement plans.
- Sec. 314. Noncompliance with State plan.
- Sec. 315. Report to Congress.
- Sec. 316. Clearinghouse.
- Sec. 317. Supplementation of funds and maintenance of effort.
- Sec. 318. Rules of construction.
- Sec. 319. Authorization of appropriations.

1 **TITLE I—ACCESS TO HIGH**
 2 **QUALITY CARE**

3 **SEC. 101. GOALS.**

4 Section 658A(b) of the Child Care and Development
 5 Block Grant Act of 1990 (42 U.S.C. 9801 note) is
 6 amended—

7 (1) in paragraph (4), by striking “assistance;
 8 and” and inserting “assistance, and to other low-in-
 9 come parents;”;

10 (2) in paragraph (5)—

11 (A) by inserting “training,” after “safe-
 12 ty,”; and

13 (B) by striking the period and inserting “;
 14 and”; and

15 (3) by adding at the end the following:

16 “(6) to assist States to provide access to high
 17 quality child care that promotes early learning and
 18 facilitates school readiness for all children, including
 19 children with disabilities or other special needs.”.

1 **SEC. 102. AUTHORIZATION OF APPROPRIATIONS.**

2 Section 658B of the Child Care and Development
3 Block Grant Act of 1990 (42 U.S.C. 9858) is amended
4 by striking “\$1,000,000,000” and all that follows and in-
5 serting “\$3,100,000,000 for fiscal year 2003 and such
6 sums as may be necessary for each of fiscal years 2004
7 through 2007.”.

8 **SEC. 103. LEAD AGENCY.**

9 Section 658D(b) of the Child Care and Development
10 Block Grant Act of 1990 (42 U.S.C. 9858b(b)) is amend-
11 ed by striking paragraph (2) and inserting the following:

12 “(2) DEVELOPMENT OF STATE PLAN.—

13 “(A) PARTIES CONSULTED.—In the devel-
14 opment of the State plan described in para-
15 graph (1)(B), the lead agency shall consult
16 with—

17 “(i) appropriate representatives of
18 units of general purpose local government;

19 “(ii) parents and child care providers
20 (including center-based child care pro-
21 viders, group home child care providers,
22 and family child care providers);

23 “(iii) representatives of State agencies
24 responsible for children and families, in-
25 cluding agencies with jurisdiction over edu-
26 cation programs, the program carried out

1 under part C of the Individuals with Dis-
2 abilities Education Act (20 U.S.C. 1431 et
3 seq.), health services, child protective serv-
4 ices, the program of block grants to States
5 to provide temporary assistance to needy
6 families under part A of title IV of the So-
7 cial Security Act (42 U.S.C. 601 et seq.),
8 licensing and inspection of child care pro-
9 viders, and employment and training ac-
10 tivities;

11 “(iv) businesses, community-based or-
12 ganizations (including faith-based organi-
13 zations), and philanthropic organizations;

14 “(v) parents of children in special
15 populations, providers with expertise con-
16 cerning care of children in special popu-
17 lations, and special education and related
18 services personnel;

19 “(vi) institutions of higher education
20 and other entities that provide professional
21 development for early childhood educators
22 and child care providers; and

23 “(vii) other public and private pro-
24 viders of child and family support services,
25 such as child care resource and referral or-

1 organizations, providers of services through
2 Head Start programs, family literacy pro-
3 grams, and institutions of higher edu-
4 cation, other organizations representing
5 child care and other early childhood edu-
6 cation providers as determined appropriate
7 by the State, and other individuals with ex-
8 pertise in child development as determined
9 appropriate by the State.

10 “(B) PURPOSES OF STATE PLAN.—The
11 lead agency shall engage in consultation, as de-
12 scribed in subparagraph (A), in order to—

13 “(i) develop a State plan under sec-
14 tion 658E that meets the needs of working
15 parents and the social, emotional, physical,
16 and cognitive developmental needs of chil-
17 dren;

18 “(ii) enable the lead agency, and the
19 organizations and individuals described in
20 subparagraph (A), to coordinate and utilize
21 resources for early childhood development
22 and child care for school-age children in a
23 manner that provides a continuum of qual-
24 ity services for children and families;

1 “(iii) enable the lead agency, organi-
2 zations, and individuals to provide for re-
3 sources for children with disabilities or
4 other special needs and their families in
5 planning and delivering services for chil-
6 dren and families, in order to improve ac-
7 cess to community-based inclusive child
8 care programs for all children, including
9 infants and toddlers, and families;

10 “(iv) enable the lead agency, organiza-
11 tions, and individuals to design an applica-
12 tion process for applications submitted
13 under section 658E that improves parental
14 access to services provided under this sub-
15 chapter by reducing barriers to eligibility
16 and continuing eligibility through the ap-
17 plication process; and

18 “(v) promote inclusion of organiza-
19 tions or individuals that provide child care
20 and related services for children and fami-
21 lies, and parents, in the design and deliv-
22 ery of such services.

23 “(C) INCLUSIVE CHILD CARE PROGRAM.—

24 In this paragraph, the term ‘inclusive child care
25 program’ means a child care program—

1 “(i) that serves children in special
2 populations, and other children, together in
3 a setting; and

4 “(ii) in which not more than 50 per-
5 cent of the children enrolled are children in
6 special populations.”.

7 **SEC. 104. STATE PLAN REQUIREMENTS.**

8 Section 658E(c) of the Child Care and Development
9 Block Grant Act of 1990 (42 U.S.C. 9858e(c)) is
10 amended—

11 (1) in paragraph (2)—

12 (A) in subparagraph (A)(i)(II), by striking
13 “658P(2)” and inserting “658T(2)”;

14 (B) by striking subparagraph (D) and in-
15 serting the following:

16 “(D) CONSUMER AND CHILD CARE PRO-
17 VIDER INFORMATION.—

18 “(i) CERTIFICATION.—Certify that
19 the State will collect and disseminate,
20 through organizations that provide re-
21 source and referral services and through
22 other means as determined appropriate by
23 the State, to parents of eligible children
24 and the general public, consumer education
25 information that will promote informed

1 child care choices, including information
2 about quality child care that meets the so-
3 cial, emotional, physical, and cognitive de-
4 velopmental needs of children.

5 “(ii) DESCRIPTION.—Describe how
6 the State will—

7 “(I) ensure that staff from the
8 lead agency will coordinate activities
9 with the staff of the State program
10 funded under part A of title IV of the
11 Social Security Act (42 U.S.C. 601 et
12 seq.) to inform parents who are apply-
13 ing for, receiving, or ending assistance
14 under the State program about eligi-
15 bility for assistance under this sub-
16 chapter and local resource and refer-
17 ral services; and

18 “(II) inform other low-income
19 parents about such eligibility and
20 services.

21 “(iii) Report the manner in which the
22 information described in clause (i) was dis-
23 seminated to parents, and the number of
24 parents to whom such information was dis-

1 seminated, for the 2-year period of the pre-
2 vious State plan.”;

3 (C) in subparagraph (G), by inserting “,
4 and that the procedures include unannounced
5 visits for each such child care provider (except
6 that the State may choose to exempt from the
7 procedures requiring such visits, a relative of
8 the child who is a provider described in section
9 658T(5)(B)) and the facility in which the pro-
10 vider provides child care” before the period; and

11 (D) by adding at the end the following new
12 subparagraphs:

13 “(I) ENHANCEMENT OF PARENTAL AC-
14 CESS.—Describe how the State will improve pa-
15 rental access to eligibility procedures during the
16 process of establishing eligibility in order to ob-
17 tain or retain assistance under this subchapter,
18 including improving access by simplifying appli-
19 cations for assistance and otherwise simplifying
20 the process by adopting procedures and prac-
21 tices such as—

22 “(i) posting eligibility forms and infor-
23 mation about needed documentation on
24 State websites and in other places fre-
25 quented by parents with children such as

1 libraries, health care facilities, schools, and
2 offices of the special supplemental nutri-
3 tion program for women, infants, and chil-
4 dren established by section 17 of the Child
5 Nutrition Act of 1966 (42 U.S.C. 1786);

6 “(ii) allowing filing of eligibility and
7 other required information by postal mail,
8 phone, fax, or electronic mail;

9 “(iii) minimizing requests for docu-
10 mentation, and utilizing documents already
11 on file;

12 “(iv) providing applications at mul-
13 tiple sites;

14 “(v) offering nonconventional hours of
15 operation at eligibility offices and providing
16 toll-free telephone lines, including during
17 evening and weekend hours, to handle eli-
18 gibility issues;

19 “(vi) providing expedited procedures
20 for changing child care providers;

21 “(vii) calculating eligibility in a way
22 that permits the averaging of hours of em-
23 ployment or participation in a job training
24 or educational program, or of income,
25 across a number of months, in order to

1 provide for continuing eligibility without
2 the necessity for frequent reporting of
3 small changes in family circumstances;

4 “(viii) establishing a coordinated,
5 seamless eligibility system so that, regard-
6 less of the source of funding for the assist-
7 ance, families do not have to file additional
8 applications and the assistance is provided
9 in a way that does not disrupt families and
10 supports continuity of care; and

11 “(ix) eliminating the need for case clo-
12 sure and reapplication in instances in
13 which children remain eligible but their
14 category of eligibility changes.

15 “(J) ELIGIBILITY REDETERMINATION.—

16 “(i) REDETERMINATION PROCESS.—
17 Demonstrate that for the purposes of rede-
18 termination of eligibility of a child under
19 this subchapter, and for the reporting of
20 changes as provided for in clauses (iii) and
21 (iv), the State will have in place procedures
22 that allow a working parent access to the
23 redetermination process and allow for the
24 reporting of changes without requiring an

1 absence from the workplace, which proce-
2 dures may include—

3 “(I) the provision of extended of-
4 fice hours such as office hours before
5 8 a.m., after 6 p.m., or on the week-
6 end; and

7 “(II) the use of postal mail or
8 electronic communications such as
9 communications by telephone, fax, or
10 electronic mail, and provision of a re-
11 ceipt providing confirmation.

12 “(ii) MINIMUM PERIOD.—Dem-
13 onstrate that each child that receives as-
14 sistance under this subchapter in the State
15 will receive such assistance for not less
16 than 1 year before the State redetermines
17 the eligibility of the child under this sub-
18 chapter, except as provided in clauses (iii)
19 and (iv).

20 “(iii) CHILD NO LONGER LIVING IN
21 THE HOME.—Demonstrate that the State
22 will ensure that policies and procedures are
23 in place to require that a parent report to
24 the lead agency, during the period prior to
25 redetermination, if the family no longer

1 needs assistance under this subchapter for
2 a child because the child is no longer in
3 the home.

4 “(iv) PARENT NO LONGER ENGAGED
5 IN WORK-RELATED ACTIVITIES.—Dem-
6 onstrate that—

7 “(I) the State will ensure that
8 policies and procedures are in place to
9 require that a parent report to the
10 lead agency, during the period prior
11 to redetermination, the loss of work or
12 cessation of attendance of a job train-
13 ing or educational program for which
14 the family was receiving assistance
15 under this subchapter; and

16 “(II) the State will not terminate
17 the assistance based on the loss of
18 work or cessation of attendance with-
19 out continuing the assistance for a
20 reasonable period of time, of not less
21 than 1 month, after such loss or ces-
22 sation in order for the parent to en-
23 gage in a job search and resume work,
24 or resume attendance of a job training

1 or educational program, as soon as
2 possible.

3 “(K) TRAINING IN EARLY LEARNING AND
4 CHILDHOOD DEVELOPMENT.—Certify that there
5 are in effect within the State training require-
6 ments, designed to enable child care providers
7 to promote the social, emotional, physical, and
8 cognitive development of children (including
9 children in special populations), that are appli-
10 cable to child care providers that provide serv-
11 ices for which assistance is made available
12 under this subchapter (except that the State
13 may choose to exempt from the requirements
14 relatives of the children involved who are pro-
15 viders described in section 658T(5)(B)).

16 “(L) COORDINATION OF SERVICES.—De-
17 scribe how the State will—

18 “(i) coordinate the provision of serv-
19 ices under this subchapter with other Fed-
20 eral, State, and local child care and early
21 childhood development programs; and

22 “(ii) increase coordination between,
23 and improve the ability of children to make
24 transitions between—

1 “(I) early childhood care, devel-
2 opment, and education programs; and

3 “(II) elementary schools.

4 “(M) STATE CHILD CARE QUALITY
5 GOALS.—

6 “(i) USE OF FUNDS TO IMPROVE
7 QUALITY.—Provide an assurance that the
8 State will submit the report described in
9 section 658M(c)(1), including the dem-
10 onstrations described in such section, to
11 the Secretary at the end of each fiscal
12 year.

13 “(ii) GOALS.—Describe goals that the
14 State will use to evaluate the effectiveness
15 of the activities carried out by the State
16 under section 658G(a), in order to evaluate
17 the State’s progress in improving the qual-
18 ity of child care services provided under
19 this subchapter, including, at a minimum,
20 goals to—

21 “(I) improve child care provider
22 recruitment, payment, and retention
23 rates;

24 “(II) increase the number of
25 child care providers who receive high

1 quality preservice and ongoing profes-
2 sional development (including the
3 number of such providers who provide
4 informal care, care for children in spe-
5 cial populations, or care for children
6 in rural areas);

7 “(III) increase the number of
8 providers who receive training in the
9 care and development of children with
10 disabilities or other special needs;

11 “(IV) increase the number of
12 families served by resource and refer-
13 ral services;

14 “(V) increase the number of child
15 care programs that meet applicable
16 State and local licensing requirements
17 or nationally recognized accreditation
18 standards; and

19 “(VI) increase the payment rates,
20 to maximize parental choice among
21 quality child care providers.

22 “(iii) STATE CHILD CARE QUALITY
23 MEASURES.—Describe a quantifiable, ob-
24 jective measure for each goal.

1 “(iv) PROGRESS.—Describe the
2 State’s progress in achieving the measures
3 for the goals.

4 “(N) ACCESS TO CARE FOR SPECIAL POPU-
5 LATIONS.—

6 “(i) REIMBURSEMENT FOR SPECIAL
7 NEEDS CARE.—Certify that the State is
8 taking the cost of specialized care for in-
9 fants and toddlers and children with dis-
10 abilities or other special needs into account
11 when determining reimbursement rates for
12 child care services for which assistance is
13 provided under this subchapter.

14 “(ii) COMPLIANCE WITH DISABILITY
15 LAWS.—Certify that the State will ensure
16 that eligible child care providers within the
17 State are informed about the requirements
18 associated with the Americans with Dis-
19 abilities Act of 1990 (42 U.S.C. 12101 et
20 seq.), the Individuals with Disabilities
21 Education Act (20 U.S.C. 1400 et seq.),
22 and section 504 of the Rehabilitation Act
23 of 1973 (29 U.S.C. 794), and describe how
24 the State will assist eligible child care pro-
25 viders by providing training, technical as-

1 sistance, and resources in order to assist
2 the providers in complying with those Acts.

3 “(iii) COORDINATION WITH OTHER
4 APPLICABLE ACTIVITIES.—Certify and de-
5 scribe the State’s efforts to coordinate—

6 “(I) training, services, and other
7 assistance provided under this sub-
8 chapter with respect to children with
9 disabilities or other special needs; and

10 “(II) similar activities supported
11 under section 619, part C, or part D
12 of the Individuals with Disabilities
13 Education Act (20 U.S.C. 1419, 1431
14 et seq., or 1451 et seq.), or title V of
15 the Social Security Act (42 U.S.C.
16 701 et seq.).

17 “(O) INFORMATION ON FOOD PRO-
18 GRAMS.—Certify that the State will collect and
19 disseminate, to each child care provider that
20 provides services for which assistance is made
21 available under this subchapter, materials that
22 include—

23 “(i) an explanation of the benefits,
24 and the importance to children and pro-
25 viders, of the child and adult care food

1 program established under section 17 of
2 the Richard B. Russell National School
3 Lunch Act (42 U.S.C. 1766); and

4 “(ii) information concerning how ben-
5 efits under the program may be obtained.

6 “(P) NO SUPPLANTING OF PRIOR SPEND-
7 ING.—

8 “(i) REPORT.—Report the amount of
9 Federal funds (other than funds made
10 available under this subchapter), State
11 funds, and local funds (to the extent such
12 local funds were counted toward State
13 matching or maintenance of effort obliga-
14 tions under this subchapter), that were ex-
15 pended in the State to provide assistance
16 for child care services and to improve the
17 quality of child care services provided in
18 the State during fiscal year 2002.

19 “(ii) ASSURANCE.—Provide an assur-
20 ance that funds made available to the
21 State under this subchapter will be used to
22 supplement and not supplant the Federal
23 funds (other than funds made available
24 under this subchapter), State funds, and
25 local funds (to the extent such local funds

1 were counted toward State matching or
2 maintenance of effort obligations under
3 this subchapter), that were expended in the
4 State to provide assistance for such serv-
5 ices and to improve the quality of such
6 services provided in the State during fiscal
7 year 2002.”;

8 (2) in paragraph (3)—

9 (A) in subparagraph (B)—

10 (i) by striking “The State” and in-
11 serting the following:

12 “(i) IN GENERAL.—The State”;

13 (ii) in clause (i) (as designated in
14 clause (i) of this subparagraph)—

15 (I) by striking “appropriate to
16 realize any of the goals specified in
17 paragraphs (2) through (5) of” and
18 inserting “appropriate (which may in-
19 clude an activity described in clause
20 (ii)) to realize any of the goals speci-
21 fied in”; and

22 (II) by striking “with special
23 needs” and inserting “with disabilities
24 or other special needs”; and

1 (iii) by adding at the end the fol-
 2 lowing:

3 “(ii) AT-HOME INFANT CARE PRO-
 4 GRAM.—A State may use amounts de-
 5 scribed in clause (i) to conduct a program
 6 of at-home infant care described in para-
 7 graph (6).”;

8 (3) in paragraph (4)—

9 (A) by redesignating subparagraph (B) as
 10 subparagraph (C); and

11 (B) by inserting after subparagraph (A)
 12 the following:

13 “(B) MARKET RATES.—In submitting the
 14 State plan, the State shall meet the applicable
 15 requirements of paragraphs (1) and (2) of sec-
 16 tion 658H(b).”;

17 (4) by adding at the end the following:

18 “(6) STATE OPTION TO CONDUCT A PROGRAM
 19 OF AT-HOME INFANT CARE.—

20 “(A) USE OF FUNDS TO CONDUCT PRO-
 21 GRAM.—The State plan shall specify whether
 22 the State elects to use amounts provided under
 23 this subchapter to conduct a program of at-
 24 home infant care, under which a family with an
 25 infant may elect to—

1 “(i) receive assistance from the State
2 in the form of a payment to a parent or
3 child care services consistent with para-
4 graph (2)(A), and in an amount not ex-
5 ceeding the amount of assistance that the
6 family would otherwise be eligible to re-
7 ceive under this subchapter; and

8 “(ii) use the assistance to allow a par-
9 ent to remain at home and care for the
10 child for a period determined by the State,
11 but not to exceed 24 months.

12 “(B) REQUIREMENTS AND PROVISIONS.—
13 In the case of a State that elects to use
14 amounts described in subparagraph (A) for a
15 program described in subparagraph (A), the
16 State plan shall describe the requirements and
17 provisions of such program, and shall certify
18 that—

19 “(i) in providing assistance for child
20 care services under this subchapter, the
21 State will not give priority or preference to
22 parents seeking to receive assistance
23 through the program over other parents of
24 eligible children who apply for or are on a

1 waiting list for assistance for child care
2 services in the State;

3 “(ii) the State—

4 “(I) will provide, to parents ap-
5 plying to receive assistance under this
6 subchapter, information on their
7 range of options for child care services
8 for which assistance is provided under
9 this subchapter, and on the oppor-
10 tunity to receive the assistance in the
11 form of a payment or child care serv-
12 ices consistent with paragraph (2)(A);

13 “(II) will ensure that approved
14 applicants for assistance through the
15 program are permitted to choose be-
16 tween receipt of a payment or child
17 care services consistent with para-
18 graph (2)(A); and

19 “(III) will provide that a family
20 receiving such assistance may change
21 the form of the assistance, to receive
22 child care services consistent with
23 paragraph (2)(A) at any time during
24 program participation; and

1 “(iii) the State will develop or update,
2 and implement, a plan to improve the qual-
3 ity and expand the supply of infant care in
4 the State.”.

5 **SEC. 105. CHILD CARE QUALITY IMPROVEMENTS.**

6 Section 658G of the Child Care and Development
7 Block Grant Act of 1990 (42 U.S.C. 9858e) is amended
8 to read as follows:

9 **“SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF**
10 **CHILD CARE SERVICES.**

11 “(a) IN GENERAL.—A State that receives funds to
12 carry out this subchapter for a fiscal year shall reserve
13 and use not less than 4 percent of the funds (and not
14 less than 10 percent of the funds after the date specified
15 in subsection (b)) for activities designed to improve the
16 quality of child care services, consisting of—

17 “(1) the recruitment, education, and retention
18 of child care providers, including family child care
19 providers and child care providers in rural areas,
20 through compensation enhancement programs (such
21 as the Teacher Education and Compensation Helps
22 Early Childhood Project, the Child Care WAGE\$
23 Project, and the Compensation and Recognition En-
24 hances Stability programs) that reward and support
25 participation in professional development and edu-

1 cation, including the attainment of credentials and
2 degrees;

3 “(2) initiatives to improve the quality and avail-
4 ability of child care for children in special popu-
5 lations, including special populations in rural areas,
6 which may include workforce development initiatives
7 that provide specialized training or technical assist-
8 ance for the providers, or initiatives that provide
9 higher reimbursement rates for child care providers
10 that provide child care services for those children,
11 provide (where appropriate) for consultations with li-
12 censed professionals for the providers, or promote ef-
13 forts to assist the providers in complying with the
14 Americans with Disabilities Act of 1990 (42 U.S.C.
15 12101 et seq.), the Individuals with Disabilities
16 Education Act (20 U.S.C. 1400 et seq.), and section
17 504 of the Rehabilitation Act of 1973 (29 U.S.C.
18 794);

19 “(3) support for a coordinated statewide system
20 of local resource and referral services that—

21 “(A) provides information and support
22 concerning child care to families and child care
23 providers;

1 “(B) collects data on the availability of
2 and demand for child care services within the
3 political subdivisions of the State;

4 “(C) connects the business community and
5 other organizations to public-private partner-
6 ships for child care;

7 “(D) increases the availability of and im-
8 proves the quality of child care services within
9 the State;

10 “(E) provides training and support for
11 family child care providers, including networks
12 of family child care providers (such as family
13 child care providers in rural areas);

14 “(F) provides training and technical assist-
15 ance for child care providers who serve children
16 with disabilities or other special needs and child
17 care providers in rural areas;

18 “(G) supports at-home child care pro-
19 viders; and

20 “(H) promotes literacy through the provi-
21 sion of technical assistance, training about de-
22 velopmentally appropriate reading activities,
23 and books to child care programs and families,
24 to make books accessible to children at an early
25 age;

1 “(4)(A) initiatives that—

2 “(i) enhance the skills of the child care
3 workforce by providing professional develop-
4 ment and technical assistance concerning the
5 social, emotional, physical, and cognitive devel-
6 opment of children, and other critical areas
7 such as health, safety, and youth development,
8 including training opportunities for child care
9 providers in informal care settings and ongoing
10 professional development opportunities; and

11 “(ii) are carried out by community organi-
12 zations, institutions of higher education, child
13 care resource and referral organizations, or
14 other appropriate entities; and

15 “(B)(i) activities that improve the training and
16 support for family child care providers, including
17 family child care providers in rural areas, including
18 providing access to resource lending libraries, the
19 child and adult care food program described in sec-
20 tion 17 of the Richard B. Russell National School
21 Lunch Act (42 U.S.C. 1766), and in-home training
22 and professional development; and

23 “(ii) projects that provide opportunities for ca-
24 reer counseling, director training, and leadership de-
25 velopment for the child care workforce;

1 “(5)(A) the provision of grants or loans to child
2 care providers to assist the providers in meeting ap-
3 plicable State and local requirements relating to
4 child care licensing or regulation and recognized ac-
5 creditation standards; and

6 “(B) projects that improve the ability of State
7 or local government, as applicable, to monitor com-
8 pliance with, and to enforce, State and local licens-
9 ing, regulatory, and registration requirements appli-
10 cable to child care providers;

11 “(6) community projects that—

12 “(A) establish a single point of entry sys-
13 tem for child care, based on a military model
14 that—

15 “(i) establishes links with child care
16 centers, family child care homes, providers
17 of after-school programs, and other child
18 care providers; and

19 “(ii) provides parents with a single lo-
20 cation to find licensed, regulated, or reg-
21 istered child care in the community;

22 “(B) establish a community-wide training
23 and professional development program that is
24 linked to compensation and recognition for child
25 care providers, including family child care pro-

1 viders, whose services are available through the
2 system;

3 “(C) provide financial incentives and other
4 support for child care providers described in
5 subparagraph (B) to achieve accreditation by a
6 national organization; and

7 “(D) provide information to parents on the
8 cost and quality of the various child care pro-
9 viders described in subparagraph (B);

10 “(7) activities described in section 309 of the
11 Early Care and Education Act;

12 “(8) activities to improve the quality of child
13 care in rural areas; or

14 “(9) other activities that the State determines
15 appropriate to improve the quality of child care serv-
16 ices, including the provision of emergency child care.

17 “(b) INCREASED RESERVATION.—The requirement
18 to reserve and use not less than 10 percent of the funds
19 under subsection (a) takes effect on October 1 of the first
20 fiscal year for which the amount made available under sec-
21 tion 418 of the Social Security Act (42 U.S.C. 618) ex-
22 ceeds 115 percent of the amount made available under
23 that section for fiscal year 2002.”.

1 **SEC. 106. IMPROVING PARENT ACCESS TO QUALITY CHILD**
 2 **CARE BY IMPROVING RATES OF REIMBURSE-**
 3 **MENT.**

4 The Child Care and Development Block Grant Act
 5 of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting
 6 after section 658G the following:

7 **“SEC. 658H. IMPROVING PARENT ACCESS TO QUALITY**
 8 **CHILD CARE BY IMPROVING RATES OF REIM-**
 9 **BURSEMENT.**

10 “(a) IN GENERAL.—A State that receives funds to
 11 carry out this subchapter for a fiscal year shall reserve
 12 and use not less than 5 percent of the funds for activities
 13 described in this section.

14 “(b) ELIGIBILITY.—

15 “(1) STATE PLAN REQUIREMENT.—To be eligi-
 16 ble to receive funds to carry out this subchapter, a
 17 State shall submit a State plan under section 658E
 18 that—

19 “(A) demonstrates that the State has con-
 20 ducted a statistically valid survey of the market
 21 rates for child care services in the State within
 22 the 2 years preceding the date of the submis-
 23 sion of the application;

24 “(B) details the methodology of the survey
 25 conducted pursuant to subparagraph (A);

1 “(C) contains the survey and the results of
2 the survey;

3 “(D) describes the State’s plan to increase
4 payment rates from the initial baseline deter-
5 mined under subparagraph (B);

6 “(E) describes how the State will increase
7 payment rates in accordance with the survey re-
8 sults; and

9 “(F) describes the State’s plan to assure
10 that the State will make the payments on a
11 timely basis and follow the usual and customary
12 market practices with regard to payment for
13 child absentee days.

14 “(2) CONTINUING ELIGIBILITY REQUIRE-
15 MENT.—

16 “(A) IN GENERAL.—In submitting a State
17 plan under section 658E—

18 “(i) for fiscal year 2004 or a subse-
19 quent fiscal year, each State shall dem-
20 onstrate that the State has made progress
21 in increasing payment rates for child care
22 providers under this subchapter to rates
23 that reflect the market rates determined
24 under the survey described in paragraph
25 (1)(A), including the market rates for var-

1 ious types of child care providers and mar-
2 ket rates for child care of children at var-
3 ious ages; and

4 “(ii) for fiscal year 2006 or a subse-
5 quent fiscal year, each State shall dem-
6 onstrate that, not later than September
7 30, 2005, the State increased the payment
8 rate for child care providers under this
9 subchapter to a rate at not less than the
10 80th percentile of the market rate deter-
11 mined under the survey described in para-
12 graph (1)(A).

13 “(B) WAIVER.—A State may apply to the
14 Secretary for a 1-year waiver of the require-
15 ments of subparagraph (A)(ii). The Secretary
16 may, in the discretion of the Secretary, grant
17 the waiver and require the State to dem-
18 onstrate, not later than September 30, 2006,
19 that the State increased the payment rate in ac-
20 cordance with subparagraph (A)(ii).

21 “(c) USE OF FUNDS.—

22 “(1) PRIORITY USE.—An eligible State that re-
23 ceives funds under this subchapter to carry out this
24 section shall use the funds to increase the payment
25 rate for child care providers under this subchapter

1 until the rate is not less than the 85th percentile of
2 the market rate determined under the survey de-
3 scribed in subsection (b)(1)(A).

4 “(2) ALLOWABLE USE.—

5 “(A) IN GENERAL.—An eligible State that
6 demonstrates to the Secretary that the State
7 has achieved a payment rate for such providers
8 at not less than the 85th percentile of that
9 market rate may use funds described in para-
10 graph (1)—

11 “(i) to provide an increased payment
12 rate for such providers, which may exceed
13 the 100th percentile of that market rate,
14 to reflect the cost associated with improv-
15 ing the quality of child care; or

16 “(ii) to provide tiered reimbursement
17 to child care providers, as described in sub-
18 paragraph (B).

19 “(B) TIERED REIMBURSEMENT.—Such
20 tiered reimbursement shall consist of a regular
21 payment plus an additional payment for child
22 care that is in limited supply, such as care of
23 infants, care during nontraditional hours, care
24 for children with disabilities or other special
25 needs, care for children in low-income or rural

1 communities, and care provided by accredited
2 child care providers.

3 “(3) SUPPLEMENT NOT SUPPLANT.—Amounts
4 made available to a State under this subchapter to
5 carry out this section shall be used to supplement
6 and not supplant other Federal, State, or local funds
7 made available to the State under this subchapter or
8 any other provision of law.

9 “(4) LIMITATION.—No State may establish eli-
10 gibility standards for children that are more restric-
11 tive than the standards in effect on the date of en-
12 actment of the Access to High Quality Child Care
13 Act, or increase the copayments by families required
14 as part of cost sharing above the level of such copay-
15 ments on such date of enactment, to achieve the
16 higher payment rates described in subsection (b)(2)
17 or this subsection.

18 “(d) EVALUATIONS AND REPORTS.—

19 “(1) STATE EVALUATIONS.—Each State de-
20 scribed in subsection (c)(1) shall submit to the Sec-
21 retary, at such time and in such form and manner
22 as the Secretary may require, information regarding
23 the State’s efforts to increase payment rates and the
24 impact increased rates are having on the quality of,
25 and accessibility to, child care in the State.

1 “(2) REPORTS TO CONGRESS.—The Secretary
2 shall submit biennial reports to Congress on the in-
3 formation described in paragraph (1). Such reports
4 shall include data from the applications described in
5 subsection (b) as a baseline for determining the
6 progress of each eligible State in maintaining in-
7 creased payment rates.

8 “(e) PAYMENT RATE.—In this section, the term ‘pay-
9 ment rate’ means the rate of reimbursement to providers
10 for subsidized child care.

11 “(f) EFFECTIVE DATE.—This section takes effect on
12 October 1 of the first fiscal year for which the amount
13 made available under section 418 of the Social Security
14 Act (42 U.S.C. 618) exceeds 105 percent of the amount
15 made available under that section for fiscal year 2002.”.

16 **SEC. 107. ADMINISTRATION AND ENFORCEMENT.**

17 Section 658I of the Child Care and Development
18 Block Grant Act of 1990 (42 U.S.C. 9858g) is amended
19 by adding at the end the following:

20 “(c) COMPLIANCE WITH QUALITY REQUIREMENTS
21 OF STATE PLAN.—

22 “(1) ANNUAL REPORT.—

23 “(A) USE OF FUNDS FOR QUALITY ACTIVI-
24 TIES.—Each State that receives funds to carry
25 out this subchapter for a fiscal year shall, not

1 later than 6 months after the end of that fiscal
2 year, submit an annual report to the Secretary
3 in which—

4 “(i) the State demonstrates the man-
5 ner in which the State complied with sec-
6 tion 658G during the year, and describes
7 how the State used funds made available
8 to carry out this subchapter to comply with
9 section 658G during the year;

10 “(ii) the State demonstrates that a
11 portion of such funds was used to carry
12 out the activities described in paragraphs
13 (1), (2), and (3) of section 658G(a) during
14 the year, and describes the specific activi-
15 ties carried out with the funds, and the
16 amount of the funds that the State allo-
17 cated to each activity, during the year; and

18 “(iii) the State describes the specific
19 activities carried out under section 658I,
20 and the amount of funds that the State al-
21 located to each activity, during the year.

22 “(B) PROGRESS IN ACHIEVING STATE
23 CHILD CARE QUALITY GOALS AND MEASURES.—
24 The State shall include in the report—

1 “(i) a description of the goals and
2 measures described in the State plan under
3 section 658E(c)(2)(M); and

4 “(ii) evidence demonstrating the ex-
5 tent to which the State made progress in
6 achieving the measures for the goals dur-
7 ing the fiscal year including, at a min-
8 imum, evidence demonstrating measurable
9 improvement toward achieving the meas-
10 ures for the goals described in section
11 658E(c)(2)(M)(ii).

12 “(2) IMPROVEMENT PLAN.—If the Secretary
13 determines that a State failed to make progress as
14 described in paragraph (1)(B)(ii) for a fiscal year,
15 the Secretary shall require the State to submit an
16 improvement plan that describes the measures the
17 State will take to make that progress. The Secretary
18 shall require the State to comply with the improve-
19 ment plan by a date specified by the Secretary but
20 not later than 1 year after the date of the deter-
21 mination.”.

1 **SEC. 108. IMPROVING DATA ABOUT FAMILIES RECEIVING**
2 **SUBSIDIES.**

3 (a) COLLECTION OF INFORMATION.—Section
4 658K(a)(1) of the Child Care and Development Block
5 Grant Act of 1990 (42 U.S.C. 9858i(a)(1)) is amended—

6 (1) in subparagraph (B)—

7 (A) by striking clause (v) and inserting the
8 following:

9 “(v) whether the family has income
10 from—

11 “(I) employment, including self-
12 employment; or

13 “(II) assistance under the pro-
14 gram of block grants to States to pro-
15 vide temporary assistance to needy
16 families under part A of title IV of
17 the Social Security Act (42 U.S.C.
18 601 et seq.) or a State program for
19 which State spending is counted to-
20 ward the maintenance of effort re-
21 quirement under section 409(a)(7) of
22 the Social Security Act (42 U.S.C.
23 609(a)(7));”;

24 (B) by striking clause (vi) and inserting
25 the following:

26 “(vi) the size of the family;”;

1 (C) by striking clause (ix) and inserting
2 the following:

3 “(ix) the cost of child care for such
4 family, separately stating the amount of
5 the State’s subsidy payment, and the
6 amount of the family’s copayment, toward
7 that cost;” and

8 (D) by inserting after clause (x) the fol-
9 lowing:

10 “(xi) for a family in which a parent
11 demonstrates eligibility for a subsidy under
12 this subchapter on the basis of employ-
13 ment, whether the usual hours of work for
14 the parents in the family—

15 “(I) occur between 8 a.m. and 6
16 p.m. on weekdays;

17 “(II) occur after 6 p.m. on week-
18 days, or on weekends; or

19 “(III) vary substantially over the
20 course of a month; and

21 “(xii) whether a child in the family
22 who receives child care through a subsidy
23 under this subchapter is a child with a dis-
24 ability or other special needs;” and

1 (2) in subparagraph (D)(i), by adding at the
2 end the following: “The Secretary may designate
3 core data elements and require that a State collect
4 information under subparagraph (B) on those ele-
5 ments for all families described in subparagraph
6 (B).”.

7 (b) ELIMINATION OF REQUIREMENT FOR STATE AN-
8 NUAL REPORTS.—Section 658K(a) of the Child Care and
9 Development Block Grant Act of 1990 (42 U.S.C.
10 9858i(a)) is amended by striking paragraph (2).

11 (c) CASE CLOSURE CODES.—Section 658K(a) of the
12 Child Care and Development Block Grant Act of 1990 (42
13 U.S.C. 9858i(a)), as amended by subsection (b), is further
14 amended by adding at the end the following:

15 “(2) IMPROVING UNDERSTANDING OF CASE
16 CLOSURES.—The Secretary, after consultation with
17 representatives of States, researchers, and other in-
18 terested persons, shall develop a uniform set of case
19 closure codes for specifying the reasons for which
20 child care assistance under this subchapter is termi-
21 nated. The Secretary shall require that States sub-
22 mit information describing (for reporting quarters
23 beginning not later than the reporting quarter begin-
24 ning on October 1, 2005) the reasons for case clo-
25 sures under this subchapter, using the uniform

1 codes, with the information required to be submitted
2 under paragraph (1).”.

3 (d) CONSOLIDATED REPORTING.—Section 658K(a)
4 of the Child Care and Development Block Grant Act of
5 1990 (42 U.S.C. 9858i(a)), as amended by subsection (c),
6 is further amended by adding at the end the following:

7 “(3) ADDENDUM TO QUARTERLY REPORTS.—

8 “(A) INFORMATION COLLECTION.—

9 “(i) IN GENERAL.—The State shall
10 collect information on—

11 “(I) the number of families and
12 children receiving a subsidy under this
13 subchapter;

14 “(II) the number of child care
15 providers who received payments
16 under this subchapter, and shall sepa-
17 rately identify that number for each
18 type of provider specified in section
19 658T(5); and

20 “(III) the number of such pay-
21 ments made by the State through
22 vouchers, under contracts, or through
23 payments to parents, and shall sepa-
24 rately identify those numbers by the
25 type of child care services involved.

1 “(ii) TIMING.—The State shall collect
2 the information described in clause (i)(I)
3 on a monthly basis. The Secretary may
4 elect to require that the State collect the
5 information described in subclauses (II)
6 and (III) of clause (i) less frequently than
7 monthly, but not less frequently than an-
8 nually.

9 “(B) REPORTING.—The State shall submit
10 the information described in subparagraph
11 (A)(i)(I) to the Secretary on a quarterly basis,
12 in an addendum to a report required under
13 paragraph (1). The State shall submit the in-
14 formation required in subclauses (II) and (III)
15 of subparagraph (A)(i) to the Secretary on an
16 annual basis, in an addendum to a report re-
17 quired under paragraph (1).

18 “(C) PUBLIC ACCESS.—Not later than 30
19 days after submitting a report under subpara-
20 graph (B), the State shall post the information
21 contained in such report on a State website ac-
22 cessible to the public.”.

23 (e) REPORT BY SECRETARY.—Section 658K of the
24 Child Care and Development Block Grant Act of 1990 (42

1 U.S.C. 9858i) is amended by adding at the end the fol-
2 lowing:

3 “(c) REPORT BY SECRETARY.—

4 “(1) CONTENTS.—Not later than April 1, 2003,
5 and annually thereafter, the Secretary shall prepare
6 and submit to the Committee on Education and the
7 Workforce of the House of Representatives and the
8 Committee on Health, Education, Labor, and Pen-
9 sions of the Senate a report that contains—

10 “(A) a summary and analysis of the data
11 and information provided to the Secretary in
12 the State reports submitted under subsection
13 (a);

14 “(B) a summary of program information
15 provided in the most recent State plans (includ-
16 ing amendments to State plans) submitted
17 under section 658E;

18 “(C) an assessment of, and (in appropriate
19 cases) recommendations to Congress con-
20 cerning, efforts that should be undertaken to
21 improve access to quality, affordable child care
22 services in the United States; and

23 “(D) a description of the extent to which
24 States have repeated, in an accurate and timely
25 manner, the data required to be reported under

1 this subchapter, information identifying any
2 barriers to such accurate and timely reporting,
3 and a description of the Secretary’s plans and
4 activities to provide technical assistance and
5 take other action to ensure such accurate and
6 timely reporting.

7 “(2) PUBLIC ACCESS.—Not later than 30 days
8 after submitting a report under paragraph (1), the
9 Secretary shall post the information contained in the
10 report on an appropriate child care website that is
11 accessible to the public.”.

12 (f) SECTION HEADING.—The section heading for sec-
13 tion 658K of the Child Care and Development Block
14 Grant Act of 1990 (20 U.S.C. 9858i) is amended to read
15 as follows:

16 **“SEC. 658K. REPORTS AND AUDITS.**

17 (g) EFFECTIVE DATE.—The amendments made by
18 subsections (a), (b), and (d) shall apply to reports for fis-
19 cal year 2004 and subsequent fiscal years.

20 **SEC. 109. CHILD CARE RESEARCH AND DATA.**

21 Section 658L of the Child Care and Development
22 Block Grant Act of 1990 (42 U.S.C. 9858j) is amended
23 to read as follows:

24 **“SEC. 658L. CHILD CARE RESEARCH AND DATA.**

25 “(a) DATA SYSTEM.—

1 “(1) IN GENERAL.—The Secretary shall provide
2 for the establishment of a national child care data
3 system and make arrangements with appropriate en-
4 tities to collect and analyze data on the availability
5 of, demand for, and quality of early care and early
6 education programs and before- and after-school
7 programs for the system. The system shall utilize, to
8 the extent practicable, the national child care data
9 system available through child care resource and re-
10 ferral organizations at the national, State, and local
11 levels.

12 “(2) DATA.—The data collected through the
13 system shall be provided in a way that responds in
14 a timely manner to the needs of State and local offi-
15 cials, the Secretary, and Congress, and shall, to the
16 extent practicable, include national, State, and local
17 data on—

18 “(A) the number and capacity of legally
19 operating family child care providers;

20 “(B) the number and capacity of licensed
21 group programs, such as center and part-day
22 enrichment programs;

23 “(C) the number and capacity of child care
24 programs and providers that provide care to in-
25 fants and toddlers;

1 “(D) the number of child care programs
2 and providers that are providing or have pro-
3 vided within the previous 6 months child care
4 for children with disabilities or other special
5 needs, and the number of such children who are
6 receiving such child care or received such child
7 care within the previous 6 months;

8 “(E) the number and capacity of child care
9 programs and providers that provide child care
10 during nontraditional hours;

11 “(F) the number and capacity of employer-
12 sponsored centers;

13 “(G) the education, training, and creden-
14 tials of child care providers, by setting;

15 “(H) the turnover rates for child care pro-
16 viders, by setting;

17 “(I) the average (including the median)
18 salaries and benefits of caregivers in programs
19 described in subparagraph (A), by setting and
20 by position (such as lead teacher, assistant
21 teacher, or aide);

22 “(J) the number and capacity of accredited
23 child care centers;

24 “(K) the number and capacity of accred-
25 ited family child care homes;

1 “(L) the type of child care families are re-
2 questing;

3 “(M) the number of children on a waiting
4 list for a program described in paragraph (1),
5 by community; and

6 “(N) other data indicative of the avail-
7 ability of, demand for, and quality of child care
8 throughout the United States, particularly for
9 low-income families.

10 “(3) CENSUS DATA.—The Secretary shall col-
11 laborate with the Director of the Bureau of the Cen-
12 sus to obtain relevant data through the American
13 Community Survey or other surveys that describes
14 the employment trends of families, child care
15 choices, and other demographic information as ap-
16 propriate.

17 “(4) ANNUAL REPORT.—Using data from the
18 system described in subparagraph (A), the Secretary
19 shall prepare and submit to Congress by June 1,
20 2004, and annually thereafter, reports, by State, on
21 all of the measures and factors specified in para-
22 graph (2). The reports shall also describe trends re-
23 lating to the measures and factors over time.

24 “(5) TRAINING AND TECHNICAL ASSISTANCE.—
25 In providing for the system, the Secretary shall pro-

1 vide training and technical assistance to appropriate
2 entities to assist the entities in reporting, collecting,
3 and analyzing useful data for the system.

4 “(6) HARDWARE, SOFTWARE, TRAINING, AND
5 TECHNICAL ASSISTANCE.—For fiscal year 2003, the
6 Secretary shall use a portion of the funds reserved
7 under subsection (c) to obtain hardware, software,
8 training, and technical support, for the system.

9 “(b) STUDIES OF CHILD CARE QUALITY AND SUB-
10 SIDY USE.—

11 “(1) IN GENERAL.—The Secretary shall provide
12 for nationally representative studies of child care
13 that—

14 “(A) describe the child care choices made
15 by—

16 “(i) parents of eligible children who
17 use the system of subsidies provided under
18 this subchapter; and

19 “(ii)(I) parents of eligible children
20 who used but stopped using the subsidy
21 system; and

22 “(II) parents of eligible children who
23 have not used the subsidy system;

1 “(B) investigate how the child care choices
2 of the parents described in subparagraph (A)(ii)
3 are impacted by their lack of a subsidy;

4 “(C) describe the quality of child care re-
5 ceived by children of parents described in sub-
6 paragraph (A)(i) as compared to the quality re-
7 ceived by children of parents described in sub-
8 paragraph (A)(ii);

9 “(D) analyze the quality of child care in
10 the United States, by setting, including center-
11 based child care, family child care, infant and
12 toddler care, care through school-age child care
13 programs, care during nontraditional hours,
14 care for children with disabilities and other spe-
15 cial needs, and care for infants and toddlers;

16 “(E) determine the number of child care
17 programs and providers that provide care to
18 children with disabilities and other special
19 needs; and

20 “(F) describe the quality of child care
21 available at payment rates above the 85th per-
22 centile of the applicable market rates, and ana-
23 lyze how, if at all, child care available at pay-
24 ment rates above the 85th percentile of applica-
25 ble market rates differs from child care avail-

1 able at payment rates that are at or below the
2 85th percentile of applicable market rates, on
3 measures relating to child care quality, includ-
4 ing measures of provider accreditation, provider
5 education and training, staff turnover, and par-
6 ent satisfaction.

7 “(2) REPORT.—By September 30, 2006, the
8 Secretary shall submit to Congress a report that
9 contains the findings resulting from the studies and
10 shall post the findings on a website of the Depart-
11 ment of Health and Human Services.

12 “(c) RESERVATION.—Of the funds appropriated to
13 carry out this subchapter for a fiscal year, the Secretary
14 shall reserve not more than 1 percent to carry out this
15 section and section 658K.”.

16 **SEC. 110. ACTIVITIES FOR INFANTS AND TODDLERS AND**
17 **CHILDREN IN OTHER SPECIAL POPULATIONS.**

18 The Child Care and Development Block Grant Act
19 of 1990 (42 U.S.C. 9858 et seq.) is amended—

20 (1)(A) by redesignating section 658P as section
21 658T; and

22 (B) by inserting section 658T (as so redesign-
23 ated) after section 658S;

24 (2)(A) by redesignating section 658J as section
25 658P; and

1 (B) by inserting section 658P (as so redesignig-
2 nated) after section 658O;

3 (3)(A) in section 658M—

4 (i) by striking the section heading; and

5 (ii) by redesignating subsections (a) and
6 (b) as subsections (c) and (d), respectively; and

7 (B) by moving subsections (c) and (d) (as so re-
8 designated) to the end of section 658F;

9 (4)(A) by redesignating section 658I as section
10 658M; and

11 (B) by inserting section 658M after section
12 658L; and

13 (5) by inserting after section 658H (as added
14 by section 106) the following:

15 **“SEC. 658I. ACTIVITIES FOR INFANTS AND TODDLERS.**

16 “(a) IN GENERAL.—A State that receives funds to
17 carry out this subchapter for a fiscal year shall reserve
18 and use for that fiscal year—

19 “(1) not less than the State young child
20 amount for activities described in subsection (b); and

21 “(2) not less than the State covered child
22 amount for activities described in subsection (c).

23 “(b) INFANT AND TODDLER ACTIVITIES.—The State
24 shall use the funds reserved under subsection (a)(1) to
25 carry out activities that improve and expand child care,

1 including emergency child care, for infants and toddlers,
2 which may include—

3 “(1) developing and implementing a health and
4 safety licensing requirements plan for providers of
5 child care for infants and toddlers;

6 “(2) developing specialized training for such
7 providers that emphasizes the unique developmental
8 needs of infants and toddlers, including infants and
9 toddlers who are children with disabilities or other
10 special needs;

11 “(3) creating a statewide system of specialists
12 on infants and toddlers and children with disabilities
13 and other special needs, to provide training and con-
14 sultations for such providers who are—

15 “(A) center-based child care providers;

16 “(B) family child care providers;

17 “(C) group home child care providers; or

18 “(D) relatives of the infants and toddlers
19 who are providers described in section
20 658T(5)(B); or

21 “(4) establishing local networks of support for
22 providers described in paragraph (1) who are family
23 child care providers.

24 “(c) INFANT AND TODDLER AND OTHER ACTIVI-
25 TIES.—

1 “(1) IN GENERAL.—The State shall use the
2 funds reserved under subsection (a)(2) for activities
3 to improve the availability and quality of child care
4 for—

5 “(A) infants and toddlers;

6 “(B) children with disabilities or other spe-
7 cial needs; or

8 “(C) children who need child care during
9 nontraditional hours.

10 “(2) ACTIVITIES.—The activities referred to in
11 paragraph (1) may include activities described in
12 subsection (b), and may include improving reim-
13 bursement rates for providers of child care described
14 in paragraph (1).

15 “(d) DEFINITIONS.—In this section:

16 “(1) STATE COVERED CHILD AMOUNT.—The
17 term ‘State covered child amount’, used with respect
18 to a fiscal year, means the product of—

19 “(A) the State percentage for that fiscal
20 year; and

21 “(B)(i) for fiscal year 2003, \$100,000,000;

22 “(ii) for fiscal year 2004, \$125,000,000;

23 “(iii) for fiscal year 2005, \$150,000,000;

24 “(iv) for fiscal year 2006, \$175,000,000;

25 and

1 “(v) for fiscal year 2007, \$200,000,000.

2 “(2) STATE PERCENTAGE.—The term ‘State
3 percentage’, used with respect to a fiscal year,
4 means the percentage received by the State of the
5 funds allotted to States under section 658O for that
6 fiscal year.

7 “(3) STATE YOUNG CHILD AMOUNT.—The term
8 ‘State young child amount’, used with respect to a
9 fiscal year, means the product of—

10 “(A) the State percentage for that fiscal
11 year; and

12 “(B) \$100,000,000.”.

13 **SEC. 111. RESOURCE AND REFERRAL SERVICES AND**
14 **OTHER ACTIVITIES.**

15 The Child Care and Development Block Grant Act
16 of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting
17 after section 658I (as added by section 110) the following:

18 **“SEC. 658J. RESOURCE AND REFERRAL SERVICES AND**
19 **OTHER ACTIVITIES.**

20 “(a) RESERVATION.—Of the funds appropriated to
21 carry out this subchapter for a fiscal year, the Secretary
22 shall reserve—

23 “(1) \$18,120,000 to carry out subsection (b);
24 and

25 “(2) \$1,000,000 to carry out subsection (c).

1 “(b) RESOURCE AND REFERRAL SERVICES AND
2 SCHOOL-AGE CHILD CARE ACTIVITIES.—

3 “(1) GRANTS.—The Secretary shall award
4 grants to States from allotments made under para-
5 graph (2) for resource and referral services and
6 school-age child care activities.

7 “(2) ALLOTMENTS.—The Secretary shall allot
8 to each State, for a fiscal year, an amount equal to
9 the State percentage of the funds reserved under
10 subsection (a)(1) for that fiscal year.

11 “(3) DEFINITION.—In this subsection, the term
12 ‘State percentage’, used with respect to a fiscal year,
13 means the percentage received by the State of the
14 funds allotted to States under section 6580 for that
15 fiscal year.

16 “(c) NATIONAL CHILD CARE AWARE TOLL-FREE
17 HOTLINE.—The Secretary shall make a grant to the Na-
18 tional Association of Child Care Resource and Referral
19 Agencies for the operation of the national child care aware
20 toll-free hotline, to assist families in accessing local infor-
21 mation on child care options.”.

22 **SEC. 112. FUNDS FOR INDIAN TRIBES.**

23 (a) INCREASE IN RESERVATION.—Section
24 6580(a)(2) of the Child Care and Development Block
25 Grant Act of 1990 (42 U.S.C. 9858m(a)(2)) is amended

1 by striking “1 percent, and not more than 2 percent,” and
2 inserting “2 percent”.

3 (b) TREATMENT OF RESERVATION.—Section
4 6580(b)(1) of the Child Care and Development Block
5 Grant Act of 1990 (42 U.S.C. 9858m(b)(1)) is amended
6 in the matter preceding subparagraph (A), by striking
7 “subsection (a)” and inserting “subsection (a) or section
8 658J or 658L”.

9 (c) PAYMENTS FOR THE BENEFIT OF INDIAN CHIL-
10 DREN.—

11 (1) CHILD CARE SERVICES REQUIREMENTS.—
12 Section 6580(c)(2) of the Child Care and Develop-
13 ment Block Grant Act of 1990 (42 U.S.C.
14 9858m(c)(2)) is amended by adding at the end the
15 following:

16 “(D) CHILD CARE SERVICES REQUIRE-
17 MENTS.—The applicant will—

18 “(i) establish requirements applicable
19 to child care services (including require-
20 ments designed to protect the health and
21 safety of children), which shall—

22 “(I) be stated in the application;

23 and

24 “(II) notwithstanding any other
25 provision of law, including subpara-

1 graphs (E), (F), and (G) of section
2 658E(c)(2), be the child care services
3 requirements applicable to child care
4 providers that receive funds from the
5 applicant to provide services under
6 this subchapter; and

7 “(ii) submit such reports to the Sec-
8 retary concerning compliance with the re-
9 quirements as the Secretary may require.”.

10 (2) NEGOTIATED RULEMAKING.—Section
11 658O(c) of the Child Care and Development Block
12 Grant Act of 1990 (42 U.S.C. 9858m(c)) is
13 amended—

14 (A) by redesignating paragraphs (4), (5),
15 and (6) as paragraphs (5), (6), and (7), respec-
16 tively; and

17 (B) by inserting after paragraph (3) the
18 following:

19 “(4) NEGOTIATED RULEMAKING.—In deter-
20 mining the amount of the base amount provided to
21 Indian tribes and tribal organizations under this
22 subsection, the Secretary shall conduct a negotiated
23 rulemaking. The Secretary shall include in the nego-
24 tiated rulemaking committee representatives of the
25 Indian tribes and tribal organizations that the Sec-

1 retary determines to be eligible to receive grants or
2 contracts under this subsection. The Secretary shall
3 conduct the negotiated rulemaking in accordance
4 with subchapter III of chapter 5 of title 5, United
5 States Code, as in effect on November 28, 1996.”.

6 (3) CONSTRUCTION OR RENOVATION.—Para-
7 graph (7)(C) of section 6580(e) of the Child Care
8 and Development Block Grant Act of 1990 (as re-
9 designated by paragraph (2)(A)) is amended—

10 (A) by striking “The” and inserting the
11 following:

12 “(i) IN GENERAL.—Except as pro-
13 vided in clause (ii), the”;

14 (B) by adding at the end the following:

15 “(ii) TEMPORARY DECREASE.—The
16 Secretary may permit an Indian tribe or
17 tribal organization to use amounts pro-
18 vided under this subsection for construc-
19 tion or renovation even if such use will re-
20 sult in a temporary decrease described in
21 clause (i), if—

22 “(I) the Secretary determines
23 that the construction or renovation
24 will enable the tribe or organization to
25 increase, in fiscal years subsequent to

1 the year for which the determination
 2 under subparagraph (B) is made, the
 3 level of child care services provided by
 4 the tribe or organization as compared
 5 to the level of such services provided
 6 by the tribe or organization in the fis-
 7 cal year for which the determination
 8 is made; and

9 “(II) the tribe or organization
 10 submits to the Secretary, and obtains
 11 approval of, a multi-year plan for the
 12 construction or renovation.”.

13 (d) CONFORMING AMENDMENTS.—

14 (1) Section 658E(c)(2)(E) of the Child Care
 15 and Development Block Grant Act of 1990 (42
 16 U.S.C. 9858c(c)(2)(E) is amended—

17 (A) by striking the following:

18 “(E) COMPLIANCE WITH STATE LICENSING
 19 REQUIREMENTS.—

20 “(i) IN GENERAL.—Certify” and in-
 21 serting the following:

22 “(E) COMPLIANCE WITH STATE LICENSING
 23 REQUIREMENTS.—Certify”; and

24 (B) by striking clause (ii).

1 (2) Section 658F(b)(1) of the Child Care and
2 Development Block Grant Act of 1990 (42 U.S.C.
3 9858d(b)(1)) is amended by striking “658O(c)(6)”
4 and inserting “658O(c)(7)”.

5 **SEC. 113. MISCELLANEOUS PROVISIONS.**

6 Section 658S of the Child Care and Development
7 Block Grant Act of 1990 (42 U.S.C. 9858q) is amended
8 by inserting “, including section 658E(e)(6),” after “this
9 subchapter”.

10 **SEC. 114. DEFINITIONS.**

11 Section 658T of the Child Care and Development
12 Block Grant Act of 1990 (42 U.S.C. 9858n) (as redesignig-
13 nated by section 110(1)(A)) is amended—

14 (1) by inserting after paragraph (2) the fol-
15 lowing:

16 “(3) CHILD WITH A DISABILITY OR OTHER SPE-
17 CIAL NEEDS.—The term ‘child with a disability or
18 other special needs’ means a child who is—

19 “(A) eligible for early intervention services
20 under part C of the Individuals with Disabilities
21 Education Act (20 U.S.C. 1431 et seq.);

22 “(B) eligible for services under part B of
23 the Individuals with Disabilities Education Act
24 (20 U.S.C. 1411 et seq.); or

1 “(C) a child with special health care needs,
2 within the meaning of title V of the Social Se-
3 curity Act (42 U.S.C. 701 et seq.), who is an
4 individual with a disability, as defined in section
5 7(20)(B) of the Rehabilitation Act of 1973 (29
6 U.S.C. 705(20)(B)).”;

7 (2) in paragraph (4)—

8 (A) by striking subparagraph (A) and in-
9 serting the following:

10 “(A)(i) who is less than 13 years of age;

11 “(ii) who is 13, if the individual was re-
12 ceiving assistance under this subchapter on the
13 individual’s 13th birthday, the birthday oc-
14 curred during a school year, and the school year
15 has not ended; or

16 “(iii) who is—

17 “(I) younger than 19; and

18 “(II) physically or mentally incapable
19 of caring for the child, or under court su-
20 pervision;” and

21 (B) in subparagraph (C)—

22 (i) in clause (i)—

23 (I) by striking “or attending”
24 and inserting “, are attending”;

- 1 (II) by inserting “, or (in the
2 case of a parent receiving assistance
3 through a State program described in
4 section 658E(e)(6)) have a recent
5 work history under criteria deter-
6 mined by the State and meet the
7 other requirements of the State pro-
8 gram” before the semicolon; and
- 9 (III) by striking “or” at the end;
10 (ii) in clause (ii), by striking the pe-
11 riod and inserting “; or”; and
12 (iii) by adding at the end the fol-
13 lowing:
14 “(iii) is a foster child.”;
- 15 (3) in paragraph (5)(A), by inserting “a system
16 or network of family child care homes,” after “a
17 family child care provider,”;
- 18 (4) by redesignating paragraphs (8) and (9) as
19 paragraphs (9) and (10), respectively;
- 20 (5) by inserting after paragraph (7) the fol-
21 lowing:
22 “(8) INFANTS AND TODDLERS.—The term ‘in-
23 fants and toddlers’ means children from birth
24 through age 2.”;

1 (6) by redesignating paragraphs (13) and (14)
2 as paragraphs (14) and (16), respectively;

3 (7) by inserting after paragraph (12) the fol-
4 lowing:

5 “(13) SPECIAL POPULATION.—The term ‘spe-
6 cial population’ includes infants and toddlers, chil-
7 dren with disabilities or other special needs, and
8 children who require care during nontraditional
9 hours.”; and

10 (8) by inserting after paragraph (14) (as redesi-
11 gnated in paragraph (6)) the following:

12 “(15) SYSTEM OR NETWORK OF FAMILY CHILD
13 CARE HOMES.—The term ‘system or network of fam-
14 ily child care homes’ means an organization or agen-
15 cy that has a contractual relationship with 1 or more
16 family child care providers to provide child care serv-
17 ices on a regular basis and that provides administra-
18 tive and programmatic support to such providers.”.

19 **TITLE II—QUALITY CHILD CARE**
20 **INITIATIVES**

21 **Subtitle A—Child Care Centers in**
22 **Federal Facilities**

23 **SEC. 201. SHORT TITLE.**

24 This subtitle may be cited as the “Federal Employees
25 Child Care Act”.

1 **SEC. 202. DEFINITIONS.**

2 In this subtitle:

3 (1) ADMINISTRATOR.—The term “Adminis-
4 trator” means the Administrator of General Serv-
5 ices.

6 (2) ENTITY SPONSORING A CHILD CARE CEN-
7 TER.—The term “entity sponsoring”, used with re-
8 spect to a child care center, means a Federal agency
9 that operates, or an entity that enters into a con-
10 tract (including a licensing agreement) with a Fed-
11 eral agency to operate, a child care center primarily
12 for the use of Federal employees.

13 (3) EXECUTIVE AGENCY.—The term “Executive
14 agency” has the meaning given the term in section
15 105 of title 5, United States Code, except that the
16 term—

17 (A) does not include the Department of
18 Defense and the Coast Guard; and

19 (B) includes the General Services Adminis-
20 tration, with respect to the administration of a
21 facility described in paragraph (4)(B).

22 (4) EXECUTIVE FACILITY.—The term “execu-
23 tive facility”—

24 (A) means a facility that is owned or
25 leased by an Executive agency; and

1 (B) includes a facility that is owned or
2 leased by the General Services Administration
3 on behalf of a judicial office.

4 (5) FEDERAL AGENCY.—The term “Federal
5 agency” means an Executive agency, a legislative of-
6 fice, or a judicial office.

7 (6) HEAD.—The term “head”, used with re-
8 spect to an agency, includes the designee of the head
9 of the agency.

10 (7) JUDICIAL FACILITY.—The term “judicial fa-
11 cility” means a facility that is owned or leased by a
12 judicial office (other than a facility that is also a fa-
13 cility described in paragraph (4)(B)).

14 (8) JUDICIAL OFFICE.—The term “judicial of-
15 fice” means an entity of the judicial branch of the
16 Federal Government.

17 (9) LEGISLATIVE FACILITY.—The term “legisla-
18 tive facility” means a facility that is owned or leased
19 by a legislative office.

20 (10) LEGISLATIVE OFFICE.—The term “legisla-
21 tive office” means an entity of the legislative branch
22 of the Federal Government.

23 (11) STATE.—The term “State” has the mean-
24 ing given the term in section 658T of the Child Care

1 and Development Block Grant Act of 1990 (42
2 U.S.C. 9858n).

3 **SEC. 203. PROVIDING QUALITY CHILD CARE IN FEDERAL**
4 **FACILITIES.**

5 (a) EXECUTIVE FACILITIES.—

6 (1) STATE AND LOCAL LICENSING REQUIRE-
7 MENTS.—

8 (A) IN GENERAL.—With respect to a child
9 care center, and the entity sponsoring the child
10 care center, in an executive facility, the head of
11 the Executive agency involved shall ensure that
12 the center and the entity—

13 (i) comply with child care standards
14 relating to health, safety, facilities, and
15 other aspects of child care (including re-
16 quirements that child care centers be in-
17 spected for, and be free of, lead hazards)
18 that are no less stringent than applicable
19 State or local licensing requirements that
20 are related to the provision of child care in
21 the State or locality involved; or

22 (ii) obtain the applicable State or local
23 licenses, as appropriate, for the center.

1 (B) COMPLIANCE.—Not later than 6
2 months after the date of enactment of this
3 Act—

4 (i) the head of the Executive agency
5 shall certify to the appropriate committees
6 of Congress that the child care center and
7 the entity sponsoring the child care center
8 are complying with subparagraph (A); and

9 (ii) any contract (including a licensing
10 agreement) used by the Executive agency
11 for the provision of child care services in
12 the child care center shall include a condi-
13 tion that the child care be provided by a
14 child care center and an entity sponsoring
15 the child care center that comply with the
16 standards described in subparagraph (A)(i)
17 or obtain the licenses described in subpara-
18 graph (A)(ii).

19 (2) ACCREDITATION STANDARDS.—The child
20 care center, and the entity sponsoring the child care
21 center, shall comply with the standards of a nation-
22 ally recognized child care accreditation entity.

23 (3) EVALUATION AND COMPLIANCE.—

24 (A) EVALUATION.—

1 (i) IN GENERAL.—At least annually,
2 the head of the Executive agency shall
3 evaluate the compliance with the require-
4 ments of paragraphs (1) and (2), as appro-
5 priate, of child care centers, and entities
6 sponsoring child care centers, in the execu-
7 tive facilities of the agency. The head of
8 the Executive agency may conduct the
9 evaluation of such a child care center or
10 entity directly, or through an agreement
11 with another Federal agency, State child
12 care provider licensing agency, or private
13 entity, other than the Federal agency for
14 which the child care center is providing
15 services.

16 (ii) OTHER EVALUATOR.—

17 (I) DETERMINATION OF NON-
18 COMPLIANCE.—If an evaluator other
19 than the head of the Executive agency
20 determines, on the basis of the evalua-
21 tion, that the child care center or enti-
22 ty is not in compliance with the re-
23 quirements, the evaluator shall notify
24 the head of the Executive agency.

1 (II) DECISION CONCERNING
2 THREAT TO LIFE OR RISK OF SERIOUS
3 BODILY HARM.—On making that de-
4 termination, the evaluator shall de-
5 cide, on the basis of the evaluation,
6 whether any deficiency in the oper-
7 ation of the child care center is life
8 threatening or presents a risk of seri-
9 ous bodily harm and, if so, shall in-
10 clude that determination in the notifi-
11 cation.

12 (iii) HEAD OF EXECUTIVE AGENCY.—
13 On receiving such a notification the head
14 of the Executive agency shall—

15 (I) determine whether the child
16 care or entity is not in compliance
17 with the requirements; and

18 (II) if so, decide whether any de-
19 ficiency in the operation of the child
20 care center is life threatening or pre-
21 sents a risk of serious bodily harm.

22 (iv) REPORT TO CONGRESS.—If the
23 head of the Executive agency makes a dif-
24 ferent determination under clause (iii)(I)
25 than the evaluator did under clause (ii)(I),

1 or makes a different decision under clause
2 (iii)(II) than the evaluator did under
3 clause (ii)(II), the head of the Executive
4 agency shall submit to the appropriate
5 committees of Congress a report explaining
6 the reasons for the difference.

7 (B) EFFECT OF NONCOMPLIANCE.—If the
8 head of the Executive agency determines that
9 the child care center or entity is not in compli-
10 ance with the requirements, the head of the Ex-
11 ecutive agency shall—

12 (i) if the entity operating the child
13 care center is the agency—

14 (I) not later than 2 business days
15 after the date of the determination,
16 correct any deficiencies that the head
17 of the Executive agency decides are
18 life threatening or present a risk of
19 serious bodily harm;

20 (II) not later than 4 months
21 after the date of the determination,
22 develop a plan to correct any other de-
23 ficiencies in the operation of the child
24 care center and bring the center and

1 entity into compliance with the re-
2 quirements;

3 (III) provide the parents of the
4 children receiving child care services
5 at the child care center and employees
6 of the center with a notification de-
7 tailing the deficiencies described in
8 subclauses (I) and (II) and actions
9 that will be taken to correct the defi-
10 ciencies, and post a copy of the notifi-
11 cation in a conspicuous place in the
12 center for 5 working days or until the
13 deficiencies are corrected, whichever is
14 later;

15 (IV) bring the child care center
16 and entity into compliance with the
17 requirements and verify that the cen-
18 ter and entity are in compliance,
19 based on an onsite evaluation of the
20 center and entity conducted by an in-
21 dividual with expertise in child care
22 health and safety; and

23 (V) in the event that deficiencies
24 that the head of the Executive agency
25 decides are life threatening or present

1 a risk of serious bodily harm cannot
2 be corrected within 2 business days
3 after the date of the determination,
4 close the child care center, or the af-
5 fected portion of the center, until the
6 deficiencies are corrected and notify
7 the appropriate committees of Con-
8 gress of the closure; and

9 (ii) if the entity operating the child
10 care center is a contractor (including a li-
11 censee) of the Executive agency—

12 (I) require the contractor, not
13 later than 2 business days after the
14 date of the determination, to correct
15 any deficiencies that the head of the
16 Executive agency decides are life
17 threatening or present a risk of seri-
18 ous bodily harm;

19 (II) require the contractor, not
20 later than 4 months after the date of
21 the determination, to develop and pro-
22 vide to the head of the agency a plan
23 to correct any other deficiencies in the
24 operation of the child care center and

1 bring the center and entity into com-
2 pliance with the requirements;

3 (III) require the contractor to
4 provide the parents of the children re-
5 ceiving child care services at the child
6 care center and employees of the cen-
7 ter with a notification detailing the
8 deficiencies described in subclauses (I)
9 and (II) and actions that will be taken
10 to correct the deficiencies, and to post
11 a copy of the notification in a con-
12 spicuous place in the center for 5
13 working days or until the deficiencies
14 are corrected, whichever is later;

15 (IV) require the contractor to
16 bring the child care center and entity
17 into compliance with the requirements
18 and certify to the head of the agency
19 that the center and entity are in com-
20 pliance, based on an onsite evaluation
21 of the center and entity conducted by
22 an independent entity with expertise
23 in child care health and safety; and

24 (V) in the event that deficiencies
25 that the head of the Executive agency

1 decides are life threatening or present
2 a risk of serious bodily harm cannot
3 be corrected within 2 business days
4 after the date of the determination,
5 close the child care center, or the af-
6 fected portion of the center, until the
7 deficiencies are corrected and notify
8 the appropriate committees of Con-
9 gress of the closure, which closure
10 may be grounds for the immediate
11 termination or suspension of the con-
12 tract of the contractor.

13 (4) DEFINITION.—In this subsection, the term
14 “appropriate committees” means the Committee on
15 Education and the Workforce of the House of Rep-
16 resentatives, the Committee on Health, Education,
17 Labor and Pensions of the Senate, and the appro-
18 priate subcommittees of the Committee on Appro-
19 priations of the House of Representatives and of the
20 Committee on Appropriations of the Senate.

21 (b) LEGISLATIVE FACILITIES.—

22 (1) ACCREDITATION.—The Chief Administra-
23 tive Officer of the House of Representatives, the Li-
24 brarian of Congress, and the head of a designated
25 entity in the Senate shall ensure that, not later than

1 1 year after the date of enactment of this Act, the
2 corresponding child care center obtains accreditation
3 by a nationally recognized child care accreditation
4 entity, in accordance with the accreditation stand-
5 ards of the entity.

6 (2) REGULATIONS.—If the corresponding child
7 care center does not maintain accreditation status
8 with a nationally recognized child care accreditation
9 entity, the Chief Administrative Officer of the House
10 of Representatives, the Librarian of Congress, or the
11 head of the designated entity in the Senate shall
12 issue regulations governing the operation of the cor-
13 responding child care center, to ensure the safety
14 and quality of care of children placed in the center.
15 The regulations shall be no less stringent in content
16 and effect than the requirements of subsection
17 (a)(1).

18 (3) CORRESPONDING CHILD CARE CENTER.—In
19 this subsection, the term “corresponding child care
20 center”, used with respect to the Chief Administra-
21 tive Officer, the Librarian, or the head of a des-
22 ignated entity described in paragraph (1), means a
23 child care center operated by, or under a contract
24 (including a licensing agreement) with, an office of

1 the House of Representatives, the Library of Con-
2 gress, or an office of the Senate, respectively.

3 (c) JUDICIAL BRANCH STANDARDS AND COMPLI-
4 ANCE.—

5 (1) IN GENERAL.—With respect to a child care
6 center, and the entity sponsoring the child care cen-
7 ter, in a judicial facility, the head of the judicial of-
8 fice involved shall ensure that the center and the
9 entity—

10 (A) comply with child care standards relat-
11 ing to health, safety, facilities, and other as-
12 pects of child care (including requirements that
13 child care centers be inspected for, and be free
14 of, lead hazards) that are no less stringent than
15 applicable State or local licensing requirements
16 that are related to the provision of child care in
17 the State or locality involved; or

18 (B) obtain the applicable State or local li-
19 censes, as appropriate, for the center.

20 (2) ACCREDITATION STANDARDS.—The child
21 care center, and the entity sponsoring the child care
22 center, shall comply with the standards of a nation-
23 ally recognized child care accreditation entity.

24 (3) EVALUATION AND COMPLIANCE.—

1 (A) DIRECTOR OF THE ADMINISTRATIVE
2 OFFICE OF THE UNITED STATES COURTS.—The
3 Director of the Administrative Office of the
4 United States Courts shall have the same au-
5 thorities and duties with respect to the evalua-
6 tion and compliance of child care centers, and
7 entities sponsoring child care centers, in judicial
8 facilities as the head of an Executive agency
9 has with respect to the evaluation and compli-
10 ance of child care centers and entities spon-
11 soring child care centers, in executive facilities.

12 (d) INTERAGENCY COUNCIL.—

13 (1) COMPOSITION.—The Secretary of Health
14 and Human Services shall establish an interagency
15 council, comprised of—

16 (A) representatives of all Executive agen-
17 cies with 8 or more child care centers sponsored
18 in facilities owned or leased by an Executive
19 agency, and other Executive agencies at the
20 election of the heads of such agencies;

21 (B) a representative of the Chief Adminis-
22 trative Officer of the House of Representatives,
23 at the election of the Chief Administrative Offi-
24 cer;

1 (C) a representative of the head of the des-
2 igned Senate entity described in subsection
3 (b), at the election of the head of the entity;

4 (D) a representative of the Librarian of
5 Congress, at the election of the Librarian; and

6 (E) a representative of the Director of the
7 Administrative Office of the United States
8 Courts, at the election of the Director.

9 (2) FUNCTIONS.—The council shall facilitate
10 cooperation and sharing of best practices, and de-
11 velop and coordinate policy, regarding the provision
12 of child care, including the provision of areas for
13 nursing mothers and other lactation support facili-
14 ties and services, in the Federal Government.

15 (e) APPLICATION.—This section shall not apply to a
16 child care center operated in a facility owned or leased
17 by the General Services Administration.

18 **SEC. 204. FEDERAL CHILD CARE EVALUATION.**

19 (a) IN GENERAL.—Not later than 1 year after the
20 date of enactment of this Act, the Administrator and the
21 Director of the Office of Personnel Management shall
22 jointly prepare and submit to Congress a report that eval-
23 uates child care provided by entities sponsoring child care
24 centers in executive facilities, legislative facilities, or judi-
25 cial facilities.

1 (b) CONTENTS.—The evaluation shall contain, at a
2 minimum—

3 (1) information on the number of children re-
4 ceiving child care described in subsection (a), ana-
5 lyzed by age, including information on the number
6 of those children who are age 6 through 12; and

7 (2) recommendations for improving the quality
8 and cost-effectiveness of child care described in sub-
9 section (a), including recommendations of options
10 for creating an optimal organizational structure and
11 using best practices for the delivery of the child
12 care.

13 **SEC. 205. MISCELLANEOUS PROVISIONS RELATING TO**
14 **CHILD CARE PROVIDED BY FEDERAL AGEN-**
15 **CIES.**

16 (a) AVAILABILITY OF FEDERAL CHILD CARE CEN-
17 TERS FOR ONSITE CONTRACTORS; PERCENTAGE GOAL.—
18 Section 616 of the Act of December 22, 1987 (40 U.S.C.
19 490b) is amended—

20 (1) in subsection (a)—

21 (A) by striking “officer or agency of the
22 United States” and inserting “Federal agency
23 or officer of a Federal agency”; and

24 (B) by striking paragraphs (2) and (3) and
25 inserting the following:

1 “(2) the officer or agency determines that the
2 space will be used to provide child care and related
3 services to—

4 “(A) children of Federal employees or on-
5 site Federal contractors; or

6 “(B) dependent children who live with
7 Federal employees or onsite Federal contrac-
8 tors; and

9 “(3) the officer or agency determines that the
10 individual or entity will give priority for available
11 child care and related services in the space to Fed-
12 eral employees and onsite Federal contractors.”; and

13 (2) by adding at the end the following:

14 “(f)(1)(A) The Administrator of General Services
15 shall confirm that at least 50 percent of aggregate enroll-
16 ment in Federal child care centers governmentwide are
17 children of Federal employees or onsite Federal contrac-
18 tors, or dependent children who live with Federal employ-
19 ees or onsite Federal contractors.

20 “(B) Each provider of child care services at an indi-
21 vidual Federal child care center shall maintain 50 percent
22 of the enrollment at the center of children described under
23 subparagraph (A) as a goal for enrollment at the center.

24 “(C)(i) If enrollment at a center does not meet the
25 percentage goal under subparagraph (B), the provider

1 shall develop and implement a business plan with the
2 sponsoring Federal agency to achieve the goal within a
3 reasonable timeframe.

4 “(ii) The plan shall be approved by the Administrator
5 of General Services based on—

6 “(I) compliance of the plan with standards es-
7 tablished by the Administrator; and

8 “(II) the effect of the plan on achieving the ag-
9 gregate Federal enrollment percentage goal.

10 “(2) The Administrator of General Services may
11 enter into public-private partnerships or contracts with
12 nongovernmental entities to increase the capacity, quality,
13 affordability, or range of child care and related services
14 and may, on a demonstration basis, waive subsection
15 (a)(3) and paragraph (1) of this subsection.”.

16 (b) PAYMENT OF COSTS OF TRAINING PROGRAMS.—
17 Section 616(b)(3) of such Act (40 U.S.C. 490b(b)(3)) is
18 amended to read as follows:

19 “(3) If a Federal agency has a child care facility in
20 a Federal space, or is a sponsoring agency for a child care
21 facility in a Federal space, the agency or the General Serv-
22 ices Administration may pay accreditation fees, including
23 renewal fees, for that center to be accredited. Any Federal
24 agency that provides or proposes to provide child care
25 services for children referred to in subsection (a)(2), may

1 reimburse any Federal employee or any person employed
2 to provide the services for the costs of training programs,
3 conferences, and meetings and related travel, transpor-
4 tation, and subsistence expenses incurred in connection
5 with those activities. Any per diem allowance made under
6 this section shall not exceed the rate specified in regula-
7 tions prescribed under section 5707 of title 5, United
8 States Code.”.

9 (c) TECHNICAL AND CONFORMING AMENDMENTS.—
10 Section 616(c) of such Act (40 U.S.C. 490b(c)) is
11 amended—

12 (1) by inserting “Federal” before “child care
13 centers”; and

14 (2) by striking “Federal workers” and inserting
15 “Federal employees”.

16 (d) PROVISION OF CHILD CARE BY PRIVATE ENTI-
17 TIES.—Section 616(d) of such Act (40 U.S.C. 490b(d))
18 is amended to read as follows:

19 “(d)(1) If a Federal agency has a child care facility
20 in a Federal space, or is a sponsoring agency for a child
21 care facility in a Federal space, the agency, the child care
22 center board of directors, or the General Services Adminis-
23 tration may enter into an agreement with 1 or more pri-
24 vate entities under which the private entities would assist
25 in defraying the general operating expenses of the child

1 care providers including salaries and tuition assistance
2 programs at the facility.

3 “(2)(A) Notwithstanding any other provision of law,
4 if a Federal agency does not have a child care program,
5 or if the Administrator of General Services has identified
6 a need for child care for Federal employees at a Federal
7 agency providing child care services that do not meet the
8 requirements of subsection (a), the agency or the Adminis-
9 trator may enter into an agreement with a non-Federal,
10 licensed, and accredited child care facility, or a planned
11 child care facility that will become licensed and accredited,
12 for the provision of child care services for children of Fed-
13 eral employees.

14 “(B) Before entering into an agreement, the head of
15 the Federal agency shall determine that child care services
16 to be provided through the agreement are more cost-effec-
17 tively provided through the arrangement than through es-
18 tablishment of a Federal child care facility.

19 “(C) The Federal agency may provide any of the
20 services described in subsection (b)(3) if, in exchange for
21 the services, the facility reserves child care spaces for chil-
22 dren referred to in subsection (a)(2), as agreed to by the
23 parties. The cost of any such services provided by a Fed-
24 eral agency to a Federal child care facility on behalf of

1 another Federal agency shall be reimbursed by the receiv-
2 ing agency.

3 “(3) This subsection does not apply to residential
4 child care programs.”.

5 (e) PILOT PROJECTS.—Section 616 of such Act (40
6 U.S.C. 490b) is further amended by adding at the end
7 the following:

8 “(g)(1) Upon approval of the agency head, a Federal
9 agency may conduct a pilot project not otherwise author-
10 ized by law for no more than 2 years to test innovative
11 approaches to providing alternative forms of quality child
12 care assistance for Federal employees. A Federal agency
13 head may extend a pilot project for an additional 2-year
14 period. Before any pilot project may be implemented, a
15 determination shall be made by the agency head that initi-
16 ating the pilot project would be more cost-effective than
17 establishing a new Federal child care facility. Costs of any
18 pilot project shall be paid solely by the agency conducting
19 the pilot project.

20 “(2) The Administrator of General Services shall
21 serve as an information clearinghouse for pilot projects
22 initiated by other Federal agencies to disseminate infor-
23 mation concerning the pilot projects to the other Federal
24 agencies.

1 “(3) Within 6 months after completion of the initial
2 2-year pilot project period, a Federal agency conducting
3 a pilot project under this subsection shall provide for an
4 evaluation of the impact of the project on the delivery of
5 child care services to Federal employees, and shall submit
6 the results of the evaluation to the Administrator of Gen-
7 eral Services. The Administrator shall share the results
8 with other Federal agencies.”.

9 (f) DEFINITIONS.—Section 616 of such Act (40
10 U.S.C. 490b) is further amended by adding at the end
11 the following:

12 “(h) In this section:

13 “(1) The term ‘Federal agency’ has the mean-
14 ing given the term ‘Executive agency’ in section 202
15 of the Federal Employees Child Care Act.

16 “(2) The terms ‘Federal building’ and ‘Federal
17 space’ have the meanings given the term ‘executive
18 facility’ in such section 202.

19 “(3) The term ‘Federal child care center’
20 means a child care center in an executive facility, as
21 defined in such section 202.

22 “(4) The terms ‘Federal contractor’ and ‘Fed-
23 eral employee’ mean a contractor and an employee,
24 respectively, of an Executive agency, as defined in
25 such section 202.”.

1 **Subtitle B—Technical and**
2 **Financial Assistance Grants**

3 **SEC. 211. GRANTS.**

4 (a) DEFINITIONS.—In this section:

5 (1) CHILD CARE FACILITY.—The term “child
6 care facility” means a center-based or home-based
7 child care facility.

8 (2) ELIGIBLE INTERMEDIARY.—The term “eli-
9 gible intermediary” means a private, nonprofit inter-
10 mediary organization or Indian tribe or tribal orga-
11 nization that has demonstrated experience in—

12 (A) providing technical or financial assist-
13 ance for the construction and renovation of
14 physical facilities;

15 (B) providing technical or financial assist-
16 ance to child care providers; and

17 (C) securing private sources for capital fi-
18 nancing of child care or low-income community
19 development.

20 (3) ELIGIBLE RECIPIENT.—The term “eligible
21 recipient” means—

22 (A) any existing or new center-based or
23 home-based child care provider that provides
24 services to eligible children under a program
25 carried out under the Child Care and Develop-

1 ment Block Grant Act of 1990 (42 U.S.C. 9858
2 et seq.), or another program serving low-income
3 children as determined by the Secretary; and

4 (B) any organization in the process of es-
5 tablishing a center-based or home-based child
6 care program or otherwise seeking to provide
7 child care services to children described in sub-
8 paragraph (A).

9 (4) INDIAN TRIBE; TRIBAL ORGANIZATION.—

10 The terms “Indian tribe” and “tribal organization”
11 have the meanings given the terms in section 658T
12 of the Child Care and Development Block Grant Act
13 of 1990.

14 (5) SECRETARY.—The term “Secretary” means
15 the Secretary of Health and Human Services.

16 (b) GRANT AUTHORITY.—The Secretary may award
17 grants on a competitive basis in accordance with this sec-
18 tion to eligible intermediaries to assist the intermediaries
19 in carrying out the activities described in subsection (e).

20 (c) APPLICATIONS.—To be eligible to receive a grant
21 under this section an eligible intermediary shall submit to
22 the Secretary an application, in such form and containing
23 such information as the Secretary may require.

24 (d) PRIORITY.—

1 (1) IN GENERAL.—In awarding grants under
2 this section the Secretary shall give priority to appli-
3 cants under subsection (c) that propose to assist eli-
4 gible recipients that serve low-income areas, such
5 as—

6 (A) a community that—

7 (i) is in a metropolitan area; and

8 (ii) has a median household income
9 that is not more than 80 percent of the
10 median household income of the metropoli-
11 tan area; or

12 (B) a community that—

13 (i) is not in a metropolitan area; and

14 (ii) has a median income that is not
15 more than 80 percent of the median house-
16 hold income of the State in which the com-
17 munity is located.

18 (2) DEFINITION.—In this subsection, the term
19 “metropolitan area” has the meaning given the term
20 in section 102 of the Housing and Community De-
21 velopment Act of 1974 (42 U.S.C. 5302).

22 (e) USE OF FUNDS.—

23 (1) REVOLVING FUND.—Each eligible inter-
24 mediary that receives a grant under this section

1 shall deposit the grant amount into a child care re-
2 volving fund established by the eligible intermediary.

3 (2) PAYMENTS FROM FUND.—Subject to sub-
4 section (f), from amounts deposited into the revolv-
5 ing fund under paragraph (1), each eligible inter-
6 mediary shall provide technical and financial assist-
7 ance (in the form of loans, grants, investments,
8 guarantees, interest subsidies, and other appropriate
9 forms of assistance) to eligible recipients to pay for
10 the Federal share of the cost of the acquisition, con-
11 struction, or improvement of child care facilities or
12 equipment, or for the improvement of related man-
13 agement and business practices, for each such recipi-
14 ent. The amounts may be used solely for the purpose
15 of providing technical or financial assistance.

16 (3) LOAN REPAYMENTS AND INVESTMENT PRO-
17 CEEDS.—Any amount received by an eligible inter-
18 mediary from an eligible recipient in the form of a
19 loan repayment or investment proceeds shall be de-
20 posited into the child care revolving fund of the eligi-
21 ble intermediary for redistribution to other eligible
22 recipients in accordance with this section.

23 (f) FEDERAL SHARE.—

1 (1) IN GENERAL.—The Federal share of the
2 cost described in subsection (e)(2) shall be not more
3 than 50 percent.

4 (2) NON-FEDERAL SHARE.—The non-Federal
5 share of the cost may be provided in cash or in kind,
6 fairly evaluated, including plant, equipment, or serv-
7 ices.

8 (g) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated to carry out this section
10 \$50,000,000 for each of fiscal years 2003 through 2007.

11 **Subtitle C—Improving the**
12 **Availability of Books**

13 **SEC. 221. SHORT TITLE.**

14 This subtitle may be cited as the “Book Stamp Act”.

15 **SEC. 222. FINDINGS.**

16 Congress finds the following:

17 (1) Literacy is fundamental to all learning.

18 (2) Between 40 and 60 percent of the Nation’s
19 children do not read at grade level, particularly chil-
20 dren in families or school districts that are chal-
21 lenged by significant financial or social instability.

22 (3) Increased investments in child literacy are
23 needed to improve opportunities for children and the
24 efficacy of the Nation’s education investments.

1 (4) Increasing access to books in the home is
2 an important means of improving child literacy,
3 which can be accomplished nationally at modest cost.

4 (5) Effective channels for book distribution al-
5 ready exist through child care providers, hospitals,
6 pediatrician’s offices, entities carrying out faith-
7 based programs, and entities carrying out early lit-
8 eracy programs.

9 **SEC. 223. DEFINITIONS.**

10 In this subtitle:

11 (1) **EARLY LEARNING PROGRAM.**—The term
12 “early learning”, used with respect to a program,
13 means a program of activities designed to facilitate
14 development of cognitive, language, motor, and so-
15 cial-emotional skills in children under age 6 as a
16 means of enabling the children to enter school ready
17 to learn, such as a Head Start or Early Head Start
18 program carried out under the Head Start Act (42
19 U.S.C. 9831 et seq.), or a State pre-kindergarten
20 program.

21 (2) **SECRETARY.**—The term “Secretary” means
22 the Secretary of Health and Human Services.

23 (3) **STATE.**—The term “State” means the 50
24 States, the District of Columbia, the Commonwealth
25 of Puerto Rico, Guam, the United States Virgin Is-

1 lands, American Samoa, and the Commonwealth of
2 the Northern Mariana Islands.

3 (4) STATE AGENCY.—The term “State agency”
4 means an agency designated under section 658D of
5 the Child Care and Development Block Grant Act of
6 1990 (42 U.S.C. 9858b).

7 **SEC. 224. GRANTS TO STATE AGENCIES.**

8 (a) ESTABLISHMENT OF PROGRAM.—The Secretary
9 shall establish and carry out a program to promote child
10 literacy and improve children’s access to books at home
11 and in early learning, child care, literacy, and nutrition
12 programs, by making books available through early learn-
13 ing programs, child care programs, hospital-based or clin-
14 ic-based literacy programs, library-based literacy pro-
15 grams, nutrition programs at clinics described in section
16 226(a)(2)(A)(v), faith-based literacy programs, and other
17 literacy programs.

18 (b) GRANTS.—

19 (1) IN GENERAL.—In carrying out the program,
20 the Secretary shall make grants to State agencies
21 from allotments determined under paragraph (2).

22 (2) ALLOTMENTS.—For each fiscal year, the
23 Secretary shall allot to each State an amount that
24 bears the same ratio to the total of the available
25 funds for the fiscal year as the amount the State re-

1 ceives under section 6580(b) of the Child Care and
2 Development Block Grant Act of 1990 (42 U.S.C.
3 9858m(b)) for the fiscal year bears to the total
4 amount received by all States under that section for
5 the fiscal year.

6 (c) APPLICATIONS.—To be eligible to receive an allot-
7 ment under this section, a State shall submit an applica-
8 tion to the Secretary at such time, in such manner, and
9 containing such information as the Secretary may require.

10 (d) ACCOUNTABILITY.—The provisions of sections
11 658M(b) and 658K(b) of the Child Care and Development
12 Block Grant Act of 1990 (42 U.S.C. 9858g(b), 9858i(b))
13 shall apply to State agencies receiving grants under this
14 subtitle, except that references in those sections—

15 (1) to a subchapter shall be considered to be
16 references to this subtitle; and

17 (2) to a plan or application shall be considered
18 to be references to an application submitted under
19 subsection (c).

20 (e) DEFINITION.—In this section, the term “available
21 funds”, used with respect to a fiscal year, means the total
22 of—

23 (1) the funds made available under section
24 417(c)(1) of title 39, United States Code, for the fis-
25 cal year; and

1 (2) the amounts appropriated under section 229
2 for the fiscal year.

3 **SEC. 225. CONTRACTS TO CHILD CARE RESOURCE AND RE-**
4 **FERRAL ORGANIZATIONS.**

5 A State agency that receives a grant under section
6 224 shall use funds made available through the grant to
7 enter into contracts with local child care resource and re-
8 ferral organizations to carry out the activities described
9 in section 226. The State agency may reserve not more
10 than 3 percent of the funds made available through the
11 grant to support a public awareness campaign relating to
12 the activities.

13 **SEC. 226. USE OF FUNDS.**

14 (a) ACTIVITIES.—

15 (1) BOOK PAYMENTS FOR ELIGIBLE PRO-
16 VIDERS.—A child care resource and referral organi-
17 zation that receives a contract under section 225
18 shall use the funds made available through the grant
19 to provide payments for eligible providers, on the
20 basis of local needs, to enable the providers to make
21 books available to promote child literacy and im-
22 prove children's access to books at home and in
23 early learning, child care, literacy, and nutrition pro-
24 grams.

1 (2) ELIGIBLE PROVIDERS.—To be eligible to re-
2 ceive a payment under paragraph (1), a provider
3 shall—

4 (A)(i) be a center-based child care pro-
5 vider, a group home child care provider, or a
6 family child care provider, described in section
7 658T(5)(A) of the Child Care and Development
8 Block Grant Act of 1990 (42 U.S.C.
9 9858n(5)(A));

10 (ii) be a Head Start agency designated
11 under section 641 of the Head Start Act (42
12 U.S.C. 9836), an entity that receives assistance
13 under section 645A of such Act (42 U.S.C.
14 9840a) to carry out an Early Head Start pro-
15 gram, or another provider of an early learning
16 program;

17 (iii) be an entity that carries out a hos-
18 pital-based or clinic-based literacy program;

19 (iv) be an entity that carries out a library-
20 based literacy program serving children under
21 age 6;

22 (v) be an entity that carries out a nutrition
23 program at a clinic (as defined in part 246.2 of
24 title 7, Code of Federal Regulations (or any
25 corresponding similar regulation or ruling))

1 under section 17(b)(6) of the Child Nutrition
2 Act of 1966 (42 U.S.C. 1786(b)(6));

3 (vi) be an entity that carries out a faith-
4 based literacy program serving children under
5 age 6; or

6 (vii) be another entity carrying out a lit-
7 eracy program serving children under age 6;
8 and

9 (B) provide services in an area where chil-
10 dren face high risks of literacy difficulties, as
11 defined by the Secretary.

12 (b) RESPONSIBILITIES.—A child care resource and
13 referral organization that receives a contract under section
14 225 to provide payments to eligible providers shall—

15 (1) consult with local individuals and organiza-
16 tions concerned with early literacy (including par-
17 ents, teachers, pediatricians, directors of the special
18 supplemental nutrition program for women, infants,
19 and children established by section 17 of the Child
20 Nutrition Act of 1966 (42 U.S.C. 1786), literacy
21 coalitions, and organizations carrying out the Reach
22 Out and Read, First Book, and Reading Is Funda-
23 mental programs) regarding local book distribution
24 needs;

1 (2) make reasonable efforts to learn public de-
2 mographic and other information about local fami-
3 lies and child literacy programs carried out by the
4 eligible providers, as needed to inform the agency's
5 decisions as the agency carries out the contract;

6 (3) coordinate local orders of the books made
7 available under this subtitle;

8 (4) distribute, to each eligible provider that re-
9 ceives a payment under this subtitle, not fewer than
10 1 book every 6 months for each child served by the
11 provider for more than 3 of the preceding 6 months;

12 (5) use not more than 5 percent of the funds
13 made available through the contract to provide train-
14 ing and technical assistance to the eligible providers
15 on the effective use of books with young children at
16 different stages of development; and

17 (6) be a training resource for eligible providers
18 that want to offer parent workshops on developing
19 reading readiness.

20 (c) DISCOUNTS.—

21 (1) IN GENERAL.—Federal funds made avail-
22 able under this subtitle for the purchase of books
23 may only be used to purchase books on the same
24 terms as are customarily available in the book indus-

1 try to entities carrying out nonprofit bulk book pur-
2 chase and distribution programs.

3 (2) TERMS.—An entity offering books for pur-
4 chase under this subtitle shall be presumed to have
5 met the requirements of paragraph (1), absent con-
6 trary evidence, if the terms include a discount of 43
7 percent off the catalogue price of the books, with no
8 additional charge for shipping and handling of the
9 books.

10 (d) ADMINISTRATION.—The child care resource and
11 referral organization may not use more than 6 percent of
12 the funds made available through the contract for admin-
13 istrative costs.

14 **SEC. 227. REPORT TO CONGRESS.**

15 Not later than 2 years after the date of enactment
16 of this Act, the Secretary shall prepare and submit to Con-
17 gress a report on the implementation of the activities car-
18 ried out under this subtitle.

19 **SEC. 228. SPECIAL POSTAGE STAMPS FOR CHILD LITERACY.**

20 Chapter 4 of title 39, United States Code is amended
21 by adding at the end the following:

22 **“§ 417. Special postage stamps for child literacy**

23 “(a) In order to afford the public a convenient way
24 to contribute to funding for child literacy, the Postal Serv-
25 ice shall establish a special rate of postage for first-class

1 mail under this section. The stamps that bear the special
2 rate of postage shall promote childhood literacy and shall,
3 to the extent practicable, contain an image relating to a
4 character in a children's book or cartoon.

5 “(b)(1) The rate of postage established under this
6 section—

7 “(A) shall be equal to the regular first-class
8 rate of postage, plus a differential of not to exceed
9 25 percent;

10 “(B) shall be set by the Governors in accord-
11 ance with such procedures as the Governors shall by
12 regulation prescribe (in lieu of the procedures de-
13 scribed in chapter 36); and

14 “(C) shall be offered as an alternative to the
15 regular first-class rate of postage.

16 “(2) The use of the special rate of postage established
17 under this section shall be voluntary on the part of postal
18 patrons.

19 “(c)(1) Of the amounts becoming available for child
20 literacy pursuant to this section, the Postal Service shall
21 pay 100 percent to the Department of Health and Human
22 Services.

23 “(2) Payments made under this subsection to the De-
24 partment shall be made under such arrangements as the
25 Postal Service shall by mutual agreement with such De-

1 department establish in order to carry out the objectives of
2 this section, except that, under those arrangements, pay-
3 ments to such agency shall be made at least twice a year.

4 “(3) In this section, the term ‘amounts becoming
5 available for child literacy pursuant to this section’
6 means—

7 “(A) the total amounts received by the Postal
8 Service that the Postal Service would not have re-
9 ceived but for the enactment of this section; reduced
10 by

11 “(B) an amount sufficient to cover reasonable
12 costs incurred by the Postal Service in carrying out
13 this section, including costs attributable to the print-
14 ing, sale, and distribution of stamps under this sec-
15 tion,

16 as determined by the Postal Service under regulations that
17 the Postal Service shall prescribe.

18 “(d) It is the sense of Congress that nothing in this
19 section should—

20 “(1) directly or indirectly cause a net decrease
21 in total funds received by the Department of Health
22 and Human Services, or any other agency of the
23 Government (or any component or program of the
24 Government), below the level that would otherwise

1 have been received but for the enactment of this sec-
2 tion; or

3 “(2) affect regular first-class rates of postage
4 or any other regular rates of postage.

5 “(e) Special postage stamps made available under
6 this section shall be made available to the public beginning
7 on such date as the Postal Service shall by regulation pre-
8 scribe, but in no event later than 12 months after the date
9 of enactment of this section.

10 “(f) The Postmaster General shall include in each re-
11 port provided under section 2402, with respect to any pe-
12 riod during any portion of which this section is in effect,
13 information concerning the operation of this section, ex-
14 cept that, at a minimum, each report shall include infor-
15 mation on—

16 “(1) the total amounts described in subsection
17 (c)(3)(A) that were received by the Postal Service
18 during the period covered by such report; and

19 “(2) of the amounts described in paragraph (1),
20 how much (in the aggregate and by category) was
21 required for the purposes described in subsection
22 (c)(3)(B).

23 “(g) This section shall cease to be effective at the
24 end of the 2-year period beginning on the date on which

1 special postage stamps made available under this section
2 are first made available to the public.”.

3 **SEC. 229. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated to carry out
5 this subtitle, \$50,000,000 for each of fiscal years 2003
6 through 2007.

7 **TITLE III—EARLY CARE AND**
8 **EDUCATION**

9 **SEC. 301. SHORT TITLE.**

10 This title may be cited as the “Early Care and Edu-
11 cation Act”.

12 **SEC. 302. FINDINGS.**

13 Congress makes the following findings:

14 (1) Early childhood, which is the period in a
15 child’s life from birth through age 6, is a critical
16 time for children to develop the physical, emotional,
17 social, and cognitive skills that the children will need
18 for the rest of their lives.

19 (2) Young children receive care in a wide vari-
20 ety of settings. While 38 percent of those children
21 receive care solely from their parents, the remaining
22 62 percent receive care through a variety of full-time
23 and part-time arrangements, including care by rel-
24 atives, by nonrelatives (in a variety of home-based
25 settings), and through center-based programs.

1 (3) Federal and State governments invest more
2 than \$18,000,000,000 annually to help families
3 (particularly low-income families) access early care
4 and early education activities. Yet, despite this in-
5 vestment, not all children are entering school pre-
6 pared to learn.

7 (4) Learning is an active process that begins at
8 birth, is dependent on the existence of strong and
9 stable relationships, is influenced by a child's phys-
10 ical, emotional, social, and cognitive capacities, and
11 is shaped by a combination of biology and experi-
12 ence.

13 (5) Before children reach age 2, measurable dif-
14 ferentiation in their development and skills begins to
15 appear. In the absence of intervention, that differen-
16 tiation may increase over the preschool years.

17 (6) Research shows that parental involvement
18 and a stable and well-educated workforce are impor-
19 tant factors in improving the quality of early care
20 and early education programs and improving out-
21 comes for children.

22 (7) The cognitive, social, and emotional develop-
23 ment of young children can be enhanced through pa-
24 rental involvement and high-quality early care and
25 early education activities that motivate children to

1 learn to read in order to benefit from classroom in-
2 struction.

3 (8) Research indicates that successful academic
4 achievement in education programs for children in
5 kindergarten and grades 1 through 12 is linked to
6 participation in high quality early care and early
7 education activities.

8 **SEC. 303. PURPOSES.**

9 The purposes of this title are—

10 (1) to encourage States to improve the quality
11 and availability of early learning opportunities and
12 activities for young children;

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

15 (3) to promote school preparedness by encour-
16 aging children, families, and caregivers (in a variety
17 of home-based and out-of-home settings) to engage
18 in a variety of highly interactive, developmentally ap-
19 propriate, and age-appropriate activities, during the
20 first 6 years of the children's lives, that will—

21 (A) improve the children's social, emo-
22 tional, and behavioral skills; and

23 (B) foster their early cognitive and literacy
24 development; and

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

3 **SEC. 304. DEFINITIONS.**

4 In this title:

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

9 (2) SECRETARIES.—The term “Secretaries”
10 means the Secretary of Education and the Secretary
11 of Health and Human Services, as specified in a
12 memorandum of understanding entered into by the
13 Secretaries.

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

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

21 **SEC. 305. ALLOTMENT FORMULA.**

22 (a) RESERVATIONS.—

23 (1) INDIAN TRIBES, ALASKA NATIVES, AND NA-
24 TIVE HAWAIIANS.—

1 (A) IN GENERAL.—From the funds appro-
2 priated under section 319 for a fiscal year, the
3 Secretaries—

4 (i) shall reserve 1 percent of such
5 funds for the Secretary of the Interior for
6 incentive grants and bonus grants to In-
7 dian tribes (other than Regional Corpora-
8 tions);

9 (ii) shall reserve 0.2 percent of such
10 funds for incentive grants and bonus
11 grants to Regional Corporations; and

12 (iii) shall reserve 0.2 percent of such
13 funds for incentive grants and bonus
14 grants to Native Hawaiian entities.

15 (B) REQUIREMENTS.—The provisions of
16 this title (other than subsections (b) and (c))
17 that apply to a State shall apply to an entity
18 receiving funds under this paragraph, in the
19 manner and to the extent provided by the Sec-
20 retary of the Interior, or by the Secretaries, as
21 appropriate.

22 (C) DEFINITIONS.—In this paragraph:

23 (i) INDIAN TRIBE.—The term “Indian
24 tribe” has the meaning given the term in
25 section 4(e) of the Indian Self-Determina-

1 tion and Education Assistance Act (25
2 U.S.C. 450b(e)).

3 (ii) REGIONAL CORPORATION.—The
4 term “Regional Corporation” has the
5 meaning given the term in section
6 419(4)(B) of the Social Security Act (42
7 U.S.C. 619(4)(B)).

8 (2) ADMINISTRATION.—The Secretaries shall
9 reserve not more than 5 percent of the funds appro-
10 priated under section 319 for each fiscal year to
11 carry out the administration of this title, including
12 section 310(g)(3)(B).

13 (b) STATE ALLOTMENTS.—

14 (1) IN GENERAL.—Subject to paragraph (2),
15 from the funds appropriated under section 319 for
16 each fiscal year and remaining after the reservations
17 made under subsection (a), the Secretaries—

18 (A) shall reserve 20 percent of the funds
19 to make grants under section 310(a); and

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

22 (i) an amount that bears the same
23 ratio to 50 percent of such balance as the
24 number of individuals under age 6 in the

1 State bears to the number of such individ-
2 uals in all States; and

3 (ii) an amount that bears the same
4 ratio to 50 percent of such balance as the
5 number of children in poverty in the State
6 bears to the number of such children in all
7 States.

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

13 (c) DEFINITIONS.—In this section:

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

17 (2) POVERTY LINE.—The term “poverty line”
18 means the income official poverty line (as defined by
19 the Office of Management and Budget, and revised
20 annually in accordance with section 673(2) of the
21 Community Services Block Grant Act (42 U.S.C.
22 9902(2))) applicable to a family of the size involved.

23 **SEC. 306. GENERAL INCENTIVE GRANTS.**

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

1 (b) GRANTS.—In carrying out the program, the Sec-
2 retaries shall award grants to eligible States, to enable the
3 States to develop or enhance high-quality systems of early
4 care and early education programs and activities, designed
5 to improve school preparedness, by increasing and making
6 effective use of existing and new delivery systems and
7 funds for early care and early education. The Secretaries
8 shall award the grants from allotments made under sec-
9 tion 305(b)(1)(B).

10 **SEC. 307. LEAD AGENCY AND ADVISORY COUNCIL.**

11 (a) LEAD AGENCY.—The chief executive officer of a
12 State desiring to receive a grant under this title shall des-
13 ignate an agency (which may be an appropriate collabo-
14 rative agency), or establish a joint interagency office, to
15 serve as the lead agency for the State under this title.

16 (b) ADVISORY COUNCIL.—

17 (1) IN GENERAL.—The chief executive officer of
18 a State desiring to receive a grant under this title
19 shall designate or establish a council to serve as the
20 advisory council for the State under this title.

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

23 (A) may designate an existing entity (as of
24 the date of the designation) to serve as the
25 council; and

- 1 (B) shall include in the council—
- 2 (i) representatives of agencies respon-
- 3 sible for administering early care and early
- 4 education programs in the State;
- 5 (ii) parents; and
- 6 (iii) a wide array of persons interested
- 7 in and involved with early care and early
- 8 education issues in the State, such as rep-
- 9 resentatives of—
- 10 (I) the State educational agency
- 11 and local educational agencies;
- 12 (II) the State Head Start Asso-
- 13 ciation;
- 14 (III) early childhood education
- 15 professionals;
- 16 (IV) kindergarten teachers and
- 17 teachers in grades 1 through 4;
- 18 (V) health care professionals;
- 19 (VI) child welfare agencies;
- 20 (VII) child care resource and re-
- 21 ferral organizations;
- 22 (VIII) child care providers;
- 23 (IX) State Interagency Coordi-
- 24 nating Councils established under sec-
- 25 tion 641 of the Individuals with Dis-

1 abilities Education Act (20 U.S.C.
2 1441);

3 (X) the State agency with re-
4 sponsibility for the special supple-
5 mental nutrition program for women,
6 infants, and children established by
7 section 17 of the Child Nutrition Act
8 of 1966 (42 U.S.C. 1786);

9 (XI) institutions of higher edu-
10 cation;

11 (XII) other agencies that provide
12 resources for young children;

13 (XIII) religious and business
14 leaders;

15 (XIV) State legislators and local
16 officials; and

17 (XV) other relevant entities in
18 the State.

19 (3) DUTIES.—The State advisory council shall
20 conduct local needs assessments in order to advise
21 and assist the lead agency and chief executive officer
22 in the development of the State plans and applica-
23 tion described in section 308.

24 (c) STATE PLANS AND APPLICATION.—The chief ex-
25 ecutive officer and the lead agency shall, after consultation

1 with the advisory council, develop the State plans and ap-
2 plication.

3 **SEC. 308. STATE PLANS AND APPLICATION.**

4 (a) IN GENERAL.—To be eligible to receive funds
5 under this title, a State shall prepare and submit to the
6 Secretaries an application, for a 2-year period, at such
7 time, in such manner, and containing such information as
8 the Secretaries shall require, including—

9 (1) information identifying the agency or joint
10 interagency office that serves as the lead agency for
11 the State;

12 (2) a State plan that—

13 (A) identifies barriers in the State to the
14 effective use of Federal, State, and local public
15 funds, and private funds, for early care and
16 early education that are available to the State
17 on the date on which the application is sub-
18 mitted;

19 (B) specifies, for each fiscal year, how the
20 State will use funds made available under this
21 title, including how the State will make effective
22 use of such funds, and the funds described in
23 subparagraph (A), in order to create an early
24 childhood education system, by developing or
25 enhancing a high-quality system of early care

1 and early education programs and activities, de-
2 signed to ensure that all children, including
3 children from economically or otherwise dis-
4 advantaged families, enter school prepared to
5 learn; and

6 (C) provides information that describes
7 how the State is working to measurably improve
8 the overall school preparedness of children,
9 while taking into consideration the age of the
10 children and the setting in which the early care
11 and early education programs and activities are
12 provided;

13 (3) a description of how the State, in order to
14 expand accessibility and continuity of quality early
15 care and early education, will coordinate the early
16 childhood education activities assisted under this
17 title with—

18 (A) programs carried out under the Child
19 Care and Development Block Grant Act of
20 1990 (42 U.S.C. 9858 et seq.);

21 (B) programs carried out under the Head
22 Start Act (42 U.S.C. 9831 et seq.), including
23 the Early Head Start programs carried out
24 under section 645A of that Act (42 U.S.C.
25 9840a);

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

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

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

12 (D) programs carried out under part C of
13 the Individuals with Disabilities Education Act
14 (20 U.S.C. 1431 et seq.);

15 (E) State pre-kindergarten programs; and

16 (F) other early childhood education pro-
17 grams;

18 (4)(A) a description of performance goals to be
19 achieved by the State through activities assisted
20 under this title; and

21 (B) the performance outcome measures the
22 State will use to evaluate progress toward achieving
23 such goals;

24 (5) a description of how the State will address
25 children with special needs and children from eco-

1 nominally or otherwise disadvantaged families
2 through activities in a way that recognizes the role
3 of parents as a child’s primary and most important
4 teachers;

5 (6) a description of the State’s voluntary pro-
6 gram guidelines for early care and early education
7 programs, the State’s general goals for school pre-
8 paredness for children entering kindergarten (devel-
9 oped in consultation with the local educational agen-
10 cies in the State), and a description of suggested ac-
11 tivities for parents and caregivers to offer young
12 children that can improve the children’s prepared-
13 ness for school;

14 (7) a description of a State workforce develop-
15 ment plan that—

16 (A) ensures comprehensive training for
17 early childhood education professionals that is
18 linked to a compensation package; and

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

21 (8) a description of how the State will create
22 linkages between formal early care and early edu-
23 cation programs, and elementary education pro-
24 grams, to ensure a smooth transition from preschool
25 to elementary school; and

1 (9) a description of a State plan—

2 (A) to ensure that institutions of higher
3 education, providers of community-based train-
4 ing that is not provided for course credit, and
5 other qualified providers, in the State that offer
6 programs and training for early childhood edu-
7 cation professionals, use curricula that will pre-
8 pare early childhood education professionals to
9 effectively implement curricula identified as sci-
10 entifically based and effective to prepare young
11 children to succeed in school; and

12 (B) to promote better access to the pro-
13 grams and training.

14 (b) UNIFIED PLAN.—The State plan described in
15 subsection (a)(2) may be a unified plan that includes the
16 State plan described in section 658E of the Child Care
17 and Development Block Grant Act of 1990 (42 U.S.C.
18 9858c).

19 **SEC. 309. USE OF FUNDS.**

20 (a) IN GENERAL.—A State that receives funds under
21 this title may only use the funds to—

22 (1) improve the quality of early care and early
23 education programs and activities through training
24 activities, education, and professional development,
25 that relate to scientifically-based early childhood

1 teaching strategies, to early childhood competencies,
2 and to appropriate early childhood developmental ac-
3 tivities, and through wage incentive programs and
4 recruitment and retention incentives for early child-
5 hood professionals;

6 (2)(A) conduct State and local needs assess-
7 ments, including assessments of the needs of dis-
8 advantaged communities, and evaluations on the ex-
9 tent to which the State is achieving the performance
10 goals and performance outcome measures described
11 in the State applications submitted under sections
12 308 and 310; and

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

15 (3) provide training and technical assistance to
16 health care providers on conducting child develop-
17 ment analyses as part of normal routine physical ex-
18 aminations;

19 (4) provide information to parents on age-ap-
20 propriate developmental activities and resources that
21 will assist in their child's overall development, in-
22 cluding language and literacy development;

23 (5)(A) conduct a campaign to improve public
24 awareness of early childhood development (including

1 early literacy) and activities that can help children
2 reach social, emotional, and cognitive milestones;

3 (B) carry out the campaign through a joint
4 venture between the State and existing for-profit
5 and nonprofit entities in the State (existing as of the
6 date the campaign begins); and

7 (C) in carrying out the campaign, ensure broad
8 access to and distribution of information in a form
9 that is easily understood by parents, including en-
10 suring that the information—

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

13 (ii) is distributed in physician’s offices, of-
14 fices of the special supplemental nutrition pro-
15 gram for women, infants, and children estab-
16 lished by section 17 of the Child Nutrition Act
17 of 1966 (42 U.S.C. 1786), libraries, public and
18 private schools, and child care centers;

19 (6) support voluntary programs (such as the
20 Parents as Teachers, Reach Out and Read, and
21 Home Instruction Program for Preschool Youngsters
22 programs) that provide training, mentoring, infor-
23 mation to parents on child development and age-ap-
24 propriate activities (which may include parent-child
25 learning opportunities), and other resources, that

1 have been shown to improve a child's early literacy,
2 school preparedness, and overall development; and

3 (7) support or improve existing (as of the date
4 of receipt of the funds) Federal, State, or local pro-
5 grams and projects (including quality improvement
6 activities authorized under the Child Care and De-
7 velopment Block Grant Act of 1990 (42 U.S.C.
8 9858 et seq.) and activities authorized under the
9 Early Learning Opportunities Act (20 U.S.C. 9401
10 et seq.), except section 808(b)(6) of that Act (20
11 U.S.C. 9407(b)(6))) that—

12 (A) are consistent with the State applica-
13 tions submitted under sections 308 and 310 as
14 approved by the Secretaries; and

15 (B) are linked to improving school pre-
16 paredness as determined by an appropriate per-
17 formance outcome measure described in section
18 310(f)(2).

19 (b) LIMITATION ON ADMINISTRATIVE COSTS.—A
20 State that receives funds under this title for a fiscal year
21 may use not more than 5 percent of the funds to pay for
22 administrative costs incurred by such State to carry out
23 the State's functions and duties under this title.

1 **SEC. 310. STATE IMPROVEMENT BONUS GRANTS.**

2 (a) IN GENERAL.—The Secretaries shall use the
3 funds described in section 305(b)(1)(A) to make bonus
4 grants to States to enable States to make, and to reward
5 States that have demonstrated, measurable progress in
6 achieving the performance outcome measures described in
7 subsection (f)(2).

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

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

14 (2) for State improvement through activities de-
15 scribed in section 309.

16 (c) PROGRESS ON COMPETENCIES AND RETEN-
17 TION.—For the first fiscal year for which not less than
18 \$500,000,000 is appropriated under section 319 and that
19 is not earlier than the third full fiscal year after the date
20 of enactment of this Act, the Secretaries shall use the
21 funds to make bonus grants under subsection (a) to States
22 that the Secretaries determine have shown measurable
23 progress in achieving the appropriate performance out-
24 come measures described in subsection (f)(2) as dem-
25 onstrated by—

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

4 (2) increased retention of competent providers
5 described in paragraph (1), compared to the pre-
6 vious year.

7 (d) PROGRESS ON SCHOOL PREPAREDNESS.—

8 (1) IN GENERAL.—For each fiscal year after
9 the year described in subsection (c), the Secretaries
10 shall use the funds to make bonus grants under sub-
11 section (a) to States that the Secretaries determine
12 have shown measurable progress in achieving the
13 performance outcome measures described in sub-
14 section (f)(2)—

15 (A) as demonstrated by the improved com-
16 petencies and increased retention described in
17 subsection (c); and

18 (B) as demonstrated by increased school
19 preparedness of the kindergartners in the State,
20 compared with the previous year.

21 (2) EQUAL WEIGHT.—In determining whether
22 States have shown the measurable progress de-
23 scribed in paragraph (1), the Secretaries shall give
24 equal weight to progress demonstrated as described

1 in paragraph (1)(A) and progress demonstrated as
2 described in paragraph (1)(B).

3 (e) AMOUNT.—In making a bonus grant to a State
4 under subsection (a) for a fiscal year, the Secretaries shall
5 make the grant in an amount equal to 20 percent of the
6 total amount of the State’s general incentive grant under
7 section 306, and the State’s bonus grant under subsection
8 (a), for that fiscal year.

9 (f) APPLICATION.—

10 (1) IN GENERAL.—To be eligible to receive a
11 bonus grant under subsection (a), a State shall sub-
12 mit an application to the Secretaries at such time,
13 in such manner, and containing such information as
14 the Secretaries may require.

15 (2) GOALS AND MEASURES.—A State that sub-
16 mits an application under this subsection for a year
17 described in subsection (c) or (d) shall include in the
18 application—

19 (A) a description of performance goals to
20 be achieved by the State through activities as-
21 sisted under this title, relating to the improved
22 competencies and increased retention referred
23 to in subsection (c) and the increased school
24 preparedness referred to in subsection (d); and

1 (B) the performance outcome measures the
2 State will use to evaluate progress toward
3 achieving such goals.

4 (g) INDICATORS AND MEASURES.—

5 (1) PANEL.—

6 (A) IN GENERAL.—The Board on Chil-
7 dren, Youth, and Families of the National Re-
8 search Council, and the Institute of Medicine,
9 of the National Academy of Sciences shall es-
10 tablish an independent panel of experts to pro-
11 vide guidance and technical assistance to the
12 States in the task of assessing progress in—

13 (i) improving competencies and in-
14 creasing retention as described in sub-
15 section (c); and

16 (ii) increasing school preparedness of
17 the kindergartners in the State.

18 (B) COMPOSITION.—The panel of experts
19 shall include, to the extent practicable, rep-
20 resentatives of the Centers for Disease Control
21 and Prevention, the National Institute of Men-
22 tal Health, the National Institute of Child
23 Health and Human Development, the National
24 Association for the Education of Young Chil-
25 dren, the National Center for Learning Disabil-

1 ities, the American Academy of Pediatrics, the
2 Office of Educational Research and Improve-
3 ment of the Department of Education, the Gen-
4 eral Accounting Office, and other noted experts
5 in the field of early care and early education.

6 (C) TIMING.—The Board and the Institute
7 of Medicine shall establish the panel not later
8 than 90 days after the date of enactment of
9 this Act.

10 (2) MEASURES.—Not later than the last day of
11 the first full fiscal year after the date of enactment
12 of this Act, the panel described in paragraph (1)
13 shall—

14 (A) identify indicators, measures, and as-
15 sessments for competencies described in sub-
16 section (c)(1); and

17 (B)(i) generate an inventory of science-
18 based indicators of cognitive, language, social,
19 emotional, and physical development, and age-
20 appropriate competencies in early literacy and
21 numeracy; and

22 (ii) identify a selection of valid and reliable
23 measures for those indicators, including meas-
24 ures from scientifically validated assessments,

1 systematic observational measures, and meas-
2 ures from parent and teacher inputs.

3 (3) USE OF MEASURES.—

4 (A) IN GENERAL.—In making the dem-
5 onstration described in subsection (c)(1) or
6 (d)(1)(B) in an application submitted under
7 subsection (f), a State may use any of the
8 measures identified under subparagraph (A) or
9 (B), respectively, of paragraph (2), or may use
10 an alternative evaluation approach identified in
11 the application.

12 (B) ASSISTANCE.—The Secretaries shall
13 provide to States that elect to use a measure
14 identified under subparagraph (A) or (B) of
15 paragraph (2), assistance in implementing the
16 measure.

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

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

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

24 (3) the State certifies to the Secretaries that
25 the assessment tools are—

1 (A) valid and reliable and used only for the
2 purposes of making the demonstration;

3 (B) age appropriate for the population
4 served;

5 (C) based on systematic observational
6 measurements that shall be conducted in the
7 children's natural environments (unless a cer-
8 tified or licensed teacher determines that an-
9 other environment would be more appropriate)
10 and used in conjunction with information gath-
11 ered through parent and provider interviews
12 and the children's work; and

13 (D) able to provide information on chil-
14 dren's cognitive, language, social, emotional,
15 and physical development.

16 (i) FORM AND USE OF INFORMATION.—

17 (1) IDENTIFYING CHARACTERISTICS.—A State
18 (or a local educational agency collecting information
19 for the State under this section) shall aggregate the
20 information the State uses to demonstrate eligibility
21 for a bonus grant under subsection (a). The State
22 may not include in the information data relating to
23 a child's name, address, or other personal identifying
24 characteristics.

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

3 (A) to track a child; or

4 (B) to determine whether a child should be
5 retained in kindergarten.

6 (j) ALLOCATION OF ADDITIONAL FUNDS.—Notwith-
7 standing any other provision of this title, from any
8 amounts described in section 305(b)(1)(A) and remaining
9 for a fiscal year that is not described in subsection (k)
10 after the Secretaries carry out subsection (a), the Secre-
11 taries may—

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

15 (2) reserve the remainder to provide bonus
16 grants under subsection (a) to eligible States for the
17 following year.

18 (k) PERFORMANCE IMPROVEMENT DEMONSTRATION
19 PROJECT.—

20 (1) IN GENERAL.—Notwithstanding any other
21 provision of this title, for the second fiscal year after
22 the year described in subsection (c), from any
23 amounts described in section 305(b)(1)(A) and re-
24 maining for that second fiscal year after the Secre-

1 taries carry out subsection (a), the Secretaries shall
2 use the remainder to carry out this subsection.

3 (2) DEMONSTRATION PROJECT.—During that
4 year, the Secretaries shall establish a demonstration
5 project to assist States that are not eligible to re-
6 ceive bonus grants under subsection (a) for that
7 year. In carrying out the project, the Secretaries
8 shall make grants to local entities in those States to
9 enable the entities to carry out activities, based on
10 information collected from States with successful
11 State systems, to improve the ability of the States
12 to achieve the performance outcome measures de-
13 scribed in the State applications submitted under
14 section 308 and subsection (f).

15 **SEC. 311. ADMINISTRATION.**

16 The Secretaries shall enter into a memorandum of
17 understanding that specifies how the Secretaries will carry
18 out this title and award grants under this title. Notwith-
19 standing any other provision of law, such memorandum
20 of understanding shall include provisions for the establish-
21 ment of a Joint Office of Early Care and Education.

22 **SEC. 312. REPORTS TO SECRETARIES.**

23 (a) IN GENERAL.—Each State that receives a grant
24 (including a bonus grant) under this title shall prepare
25 an annual report that contains—

1 (1) a description of the manner in which the
2 State has used the funds made available through the
3 grant and a report of the expenditures made with
4 the funds; and

5 (2)(A) a summary of the State's progress to-
6 ward providing the activities, and an evaluation of
7 the State's progress toward achieving the perform-
8 ance outcome measures, described in the State's ini-
9 tial State applications submitted under sections 308
10 and 310 for the fiscal year involved; and

11 (B) in the case of a State with a modified State
12 application submitted under section 308 or 310—

13 (i) a summary of the State's progress to-
14 ward providing the activities, and an evaluation
15 of the State's progress toward achieving the
16 performance outcome measures, described in
17 the modified State application for the fiscal
18 year involved; and

19 (ii) the rationale for the modifications in-
20 volved.

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

22 (1) data on the number of early childhood pro-
23 fessionals in the State who received training, edu-
24 cation, or professional development during the pe-

1 riod of the grant and remained in the early care and
2 early education field;

3 (2) data on the school preparedness of children
4 in the State;

5 (3) a description of the State's progress in over-
6 coming barriers to the effective use of Federal,
7 State, and local public funds, and private funds, for
8 early care and early education; and

9 (4) a description of the manner in which the
10 State has addressed children from economically or
11 otherwise disadvantaged families.

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

15 **SEC. 313. PERFORMANCE IMPROVEMENT PLANS.**

16 (a) DETERMINATION.—At the end of the third full
17 fiscal year after the date of enactment of this Act, and
18 of each subsequent fiscal year, the Secretaries shall deter-
19 mine whether each State that receives funds under this
20 title made progress during that fiscal year toward achiev-
21 ing the performance outcome measures described in the
22 initial State applications (or, if appropriate, the modified
23 State applications) approved for the State under sections
24 308 and 310 for the fiscal year involved. The Secretaries

1 shall make the determination on the basis of the State
2 report described in section 312.

3 (b) PLAN.—If the Secretaries determine that a State
4 did not make progress as described in subsection (a) for
5 a fiscal year, the Secretaries shall require the State to sub-
6 mit a performance improvement plan that describes the
7 measures the State will take to make that progress. To
8 be eligible to receive funds under this title for the following
9 fiscal year, the State shall prepare and submit the plan
10 to the Secretaries. To be eligible to receive funds under
11 this title for a subsequent fiscal year, the State shall dem-
12 onstrate reasonable progress in implementing such plan.

13 **SEC. 314. NONCOMPLIANCE WITH STATE PLAN.**

14 (a) REVIEW.—The Secretaries shall review each re-
15 port submitted under section 312 for a fiscal year to en-
16 sure that the funds appropriated to carry out this title
17 for the fiscal year were expended in accordance with the
18 provisions of the State plan described in section
19 308(a)(2)(B) that are applicable to that fiscal year.

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

23 (1) the Secretaries shall withhold the amount of
24 the funds that were improperly expended, from the

1 State's allotment under section 305(b)(1)(B) for the
2 following fiscal year; and

3 (2) the State shall not be eligible for a bonus
4 grant under section 310(a) for the following fiscal
5 year.

6 (c) USE OF WITHHELD FUNDS.—The Secretaries
7 shall use funds withheld from 1 or more States for a fiscal
8 year under subsection (b)(1) to provide assistance to the
9 remaining States in accordance with section 305(b)(1)(B).
10 For purposes of this title, such assistance made available
11 to a State for a fiscal year shall be considered to be a
12 part of the allotment for that State under that subsection
13 for that fiscal year.

14 **SEC. 315. REPORT TO CONGRESS.**

15 (a) IN GENERAL.—The Secretaries shall prepare an
16 annual report that—

17 (1) describes the progress of each State toward
18 achieving the performance outcome measures de-
19 scribed in subparagraph (A) and, if appropriate,
20 subparagraph (B), of section 312(a)(2) for the year
21 covered by the report; and

22 (2) compares that progress with the progress of
23 the State toward achieving those measures for the
24 preceding fiscal year.

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

3 **SEC. 316. CLEARINGHOUSE.**

4 (a) IN GENERAL.—The Secretaries, acting through
5 the appropriate officers of the Department of Health and
6 Human Services (including the National Institute of Child
7 Health and Human Development and the National Insti-
8 tute of Mental Health) and the Department of Education
9 shall support (using funds made available under Federal
10 law other than this title) a collaborative research project,
11 through a clearinghouse in existence on the date the
12 project begins, to—

13 (1) identify, compile, and disseminate informa-
14 tion on effective, research-based, early care and early
15 education (including prereading and language) pro-
16 grams, curricula, and teaching strategies that
17 address—

18 (A) cognitive development;

19 (B) language development;

20 (C) social and emotional development;

21 (D) physical and motor development; and

22 (E) emergent literacy and phonemic aware-
23 ness;

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

1 (i) the systems of early care and early edu-
2 cation programs and activities in States eligible
3 to receive grants under section 310(a); and

4 (ii) the methods that the eligible States
5 have used to establish successful systems de-
6 scribed in clause (i); and

7 (B) disseminate the information to other
8 States;

9 (3)(A) identify State best practices relating to
10 early care and early education, including effective
11 State activities, standards, and guidelines; and

12 (B) compile and disseminate information that
13 describes the practices, including the activities,
14 standards, and guidelines; and

15 (4)(A) identify and evaluate model tools for
16 conducting observational assessments in kinder-
17 garten; and

18 (B) compile and disseminate information that
19 describes the tools.

20 (b) DISSEMINATION.—The Secretaries shall—

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

23 (2) ensure wide dissemination, through the
24 Internet, through public television, through public li-
25 braries, and by other means, of materials describing

1 the clearinghouse, and the availability of the infor-
2 mation disseminated by the clearinghouse.

3 **SEC. 317. SUPPLEMENTATION OF FUNDS AND MAINTENANCE OF EFFORT.**
4

5 (a) SUPPLEMENT, NOT SUPPLANT.—Amounts appro-
6 priated under this title shall be used to supplement and
7 not supplant other Federal, State, and local public funds,
8 expended to provide services for early care and early edu-
9 cation programs and activities.

10 (b) MAINTENANCE OF EFFORT.—The Secretaries
11 shall not award a grant under this title to any State for
12 a fiscal year unless the Secretaries first determine that
13 the total expenditures by the State to support early care
14 and early education programs and activities for the pre-
15 ceding fiscal year are not less than such expenditures for
16 the fiscal year in which the date of enactment of this Act
17 occurs.

18 (c) WAIVER.—The Secretaries may waive the require-
19 ments of subsection (b) if the Secretaries determine that
20 a waiver would be equitable due to a precipitous decline
21 in the financial resources of a State that has necessitated
22 across-the-board reductions in State services, including
23 early care and early education programs.

1 **SEC. 318. RULES OF CONSTRUCTION.**

2 (a) IN GENERAL.—Nothing in this title shall be con-
3 strued to permit or require a State—

4 (1) to impose State child care licensing require-
5 ments on any type of early childhood provider, in-
6 cluding any such provider who is exempt from State
7 child care licensing requirements on the date of en-
8 actment of this Act;

9 (2) to require an early childhood provider (in-
10 cluding a child care provider, such as a parent,
11 grandparent, family child care provider, or religious
12 provider) in a State to comply with a State vol-
13 untary guideline or recommendation for effective
14 early childhood education activities; or

15 (3) to require a parent to have a child submit
16 to developmental screening.

17 (b) PROHIBITION ON REQUIRED PARTICIPATION.—
18 No State receiving funds under this title may require any
19 child to participate in any Federal, State, local, or private
20 early childhood education program.

21 (c) PROHIBITION ON USE OF FUNDS FOR TEST-
22 ING.—No State receiving funds under this title may use
23 the funds—

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

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

4 **SEC. 319. AUTHORIZATION OF APPROPRIATIONS.**

5 (a) **IN GENERAL.**—There are authorized to be appro-
6 priated to carry out this title \$1,000,000,000 for fiscal
7 year 2003 and such sums as may be necessary for each
8 of fiscal years 2004 through 2007.

9 (b) **AVAILABILITY.**—Any sums appropriated under
10 the authorization contained in this section shall remain
11 available, without fiscal year limitation, until expended.

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