Son of ELF: some thoughts

The next step in the Administration's education agenda: improving the education of children before they enter school. [I think the initiative needs to be presented as primarily educational.]

What is the goal? To make sure as many kids as possible enter school ready to learn. Children who enter school more prepared do better years later (see, e.g., most recent Abecedarian results). Head Start is of course a great program, but it is a very intensive intervention appropriately focused on the most disadvantaged children. We need a broader-based school readiness program, to complement the Administration's K-12 initiatives -- class size, America Reads, GEAR-UP, etc.

How to translate this goal into a program? The goal of the program is make sure that as many kids as possible who are in out-of-home care are in settings that promote their cognitive development.

Ways for communities to do this:

- Increase the number of children in pre-K programs, including child care programs (hard to make the distinction, really, but people get more excited about the words pre-K or preschool) that are accredited/meet nationally recognized standards – NAEYC, APHA, American Academy of Pediatrics, etc. This could be done by expanding the enrollment of accredited programs or helping programs become accredited, or both.

- Increase the number of children in pre-K programs that meet Head Start performance standards or (more controversial) expand Head Start and Early Head Start programs by, for example, adding above-poverty children. What, you ask, is the distinction b/w a pre-K program that meets Head Start standards and a Head Start program? I think the difference is that the latter is directly funded by and under the oversight of HHS (we monitor compliance with the standards).

- Converting accredited (or high-quality by another measure) part-day or part-year pre-K/preschool programs to full-day.

<u>States would be required to demonstrate progress toward the goal of getting more children in high-quality settings. States that failed to do so would be required to enter into a corrective action plan and could face a loss of funding (eventually).</u> For example, target numbers (preferably ranges) of additional children in high-quality settings could be arrived at through negotiations with HHS, which would then monitor progress toward the targets.

States could be allowed to use a percentage of the dollars for parent education, including center-based educational efforts as well as home visits. [I'm not sure this is necessary, given that the inclusion of parent education in the ELF didn't help us much with the opposing faction in the mommy wars – or with anyone else for that matter.]

States could apply for permission to use a percentage of the dollars for efforts that are related to, but would not lead directly to, accreditation. For example, if a lower-income community has no pre-K programs that are even close to being accredited, it could devote funds to enhancing provider training or compensation, reducing child: staff ratios or group sizes, increasing the number of unannounced visits by inspectors, etc. The State would still need to document progress toward targets in those areas.

There could be, as in the ELF, a requirement that States distribute dollars to communities – it's hard to imagine what else States would do with the money anyway. The question is, would we specify the process by which the funds would be distributed (competitive vs. formula)? I think it depends on whether the ELF skeptics have a view on the question.

In order to receive the funds, States and communities would be required to set up bodies, representing a variety of constituencies, that would coordinate early childhood education efforts in the State or community – targeting geographical and programmatic areas (e.g., programs for infants and toddlers) of greatest need. Communities could use a very modest percentage (e.g., 5 percent) of the dollars to support the activities of these coordinating entities.

The dollars would be targeted in some way to less affluent communities (e.g., those with a median income below the State level) but we don't need to spend a lot of time on this issue now.

Barbara Chow
12/09/99 08:56:22 PM

Record Type: Record

To: Gene B. Sperling/OPD/EOP@EOP, William G. Dauster/OPD/EOP@EOP, Jason Furman/OPD/EOP@EOP

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Subject: draft of universal pre-K

Below is a **quick** analysis prepared by OMB staff describing three alternative means of providing pre-kindergarten to all low-income 4 year olds. We could expand this analysis to three and four year olds but wanted to get a handle on the costs of a narrower proposal first.

1. The first approach is based upon an expansion of Title I dollars to fund preschool programs. It would be very costly when fully phased in if offered in all Title I schools to all 4 year olds (many of whom would not be very low-income).
2. The second approach provides sufficient funding to either offer Head Start slots to 1 million children in 2001 or achieve both the 1 million child goal **and** offer every low income 4 year a Head Start slot .
3. The third proposal relies upon upgrading child care slots to meet pre-K type standards and expanding child care slots.

Another option would be to allow states to choose among any of these options (or others) and provide a block grant ($1.7 B) for this purpose. Characteristics of such a block grant could include the following:

1. Distributed on the basis of low-income (100% of poverty) young children in a state.
2. Meaningful maintenance of effort or supplement not supplant requirement
3. Stringent academic and performance standards (could use ESEA standards)
4. Requirement to align with existing Title I, Head Start, childcare programs.

---------------------- Forwarded by Barbara Chow/OMB/EOP on 12/09/99 08:38 PM ---------------------------

Anil Kakani
12/09/99 08:30:09 PM

Record Type: Record

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Subject: draft of universal pre-K

universal preschool options.

Presented below are three mutually exclusive options to universally reach low-income 4 year-olds through pre-kindergarten programs. These options could be combined to complement each other.

The Census Bureau projects there will be 3.85 million four year old children in the year 2001. Assuming the 1998 poverty rate of 20.3 percent for 4-year olds to hold steady over the next few years, we can expect some 782,000 in this age cohort to be below the poverty line in 2001. In 1998, the Head Start program reached 484,000 4-year children, slightly over 60 percent of all 4-year olds in that year. Given funding increases in the program, we project slightly over 500,000 4-year olds to be in Head Start in FY00. Note, however, that Head Start allows for and assumes that approximately 10 percent of slots go to children above poverty.

School-based Option: Expand Title I Preschool Programs

A school-based approach would help focus preschool on academics and ensure links to kindergarten so that participating children build the literacy and numeracy skills they need to enter school ready to learn. One school-based option for universal preschool is to create a set-aside in Title I (Education for the Disadvantaged). The most targeted of all the Federal elementary and secondary education programs, Title I provides funds to low-income school districts to help low-achieving students catch up with their peers. School districts may use Title I funds for preschool programs, however it is estimated that no more than 3 percent of this $8 billion program is used for that purpose. Nonetheless, some infrastructure exists for preschool programs in high poverty schools. Over 60 percent of the highest poverty elementary schools (75+% poverty rate) have preschool programs, and 35 percent of all Title I elementary schools have them. However, these programs serve only about one-quarter to one-third of the four-year-olds in their school attendance area.

Since the Title I funding formula is based on poverty levels, a Title I-based program would automatically be targeted on children who are likely to be in poverty. In addition, the program could be expanded or contracted to serve all low-income districts, or only the highest poverty districts depending on available funds. Below are preliminary and very rough estimates of the cost to serve children not currently in preschool for both all Title I schools and for the highest poverty schools, and for half-day preschool as well as full-day for all four-year-olds in the targeted districts. We also provide costs net of the children who are already served under Head Start. We assume that a school-based program would cover only the academic school year and not include summer school.

Options A, B and C below would provide funds to Title I schools to provide preschool to <u>all</u> the children in their school district, including those with incomes above the poverty line. Option A would provide the broadest program. Option B would narrow the proposal to the poorest Title 1 schools. Option C revises option A to assume that children funded through Head Start would not participate in this program. Option D would offer all Title I schools sufficient funds to provide preschool to those children under the poverty line in their school districts. Schools would be expected to identify State or local resources or create sliding scale fees to provide services to children above the poverty line. Cost estimates for option D assume resources would be provided to cover the costs of all poor 4 year olds not provided services though Head Start. The following are annual costs when the program is at full capacity. The program could be ramped up over several years, therefore first year costs could be much lower.

	# of 4-year-olds	**Half Day**	**Full Day**
Option A. All Title I Schools	2,749,000	$11.0 - 13.7 billion	$16.0 - 19.2 billion
Option B. 75+% Poverty Schools	587,000	$2.3 - 2.9 billion	$3.5 - 4.1 billion
Option C. All Title I school 4-year-olds minus Head Start 4-year-olds	2,264,000	$9.1 – 11.3 billion	$13.6 - $15.7 billion
Option D. Provide funds only for children below poverty not served by Head Start	270,000		$1.6 billion

Assumptions for Options A, B, and C: Average cost per pupil is $4,000-$5,000 for half-day and $6,000-$7,000 for full day. 65% of Title I schools do not provide preschool, and in those that do, 70% of the eligible students are not being served. 40% of high poverty schools do not offer preschool and, in those that do, 60% of the eligible students are not served. There are 40,652 Title I elementary schools and 10,349 high poverty Title I elementary schools.

Head Start Option: Expand Head Start

The analysis below assumes all children in Head Start are below poverty. Funding is provided under Option C pay for poor 4 year olds crowded out by the 10 percent of Head Start children assumed to be above poverty.

	Number of children	Cost Estimate (millions)	Increase over FY00 (dollars)	Increase over FY00 (slots)
FY00 enacted	880,000	$ 5,267	--	--
Head Start Option A: FY01 Passback	920,000	$ 5,901	$ 634	40,000
FY01 HHS Appeal	940,000	$ 6,150	$ 883	60,000
Head Start Option B: FY01 funding necessary to reach 1 million goal in FY01	1,000,000	$ 6,835	$ 1,568	120,000
Head Start Option C: FY01 funding necessary to reach 1 million goal in FY01and allow for full participation for 4 year olds*	1,110,000	$ 7,541	$ 2,274	230,000

* Assumes 80 percent take-up rate if sufficient funds were provided for all eligibles to participate. Also, funding for the additional 4 year olds above the 1 million slot level does not assume funding for the quality, Early Head Start and T&TA setasides.

Child Care Option: Enhance the Educational Component of Child Care Programs

The Child Care and Development Fund (CCDF) provides child care subsidies for low-income children and quality enhancement efforts. Although there are federal guidelines, under current law the parameters of the subsidy program are primarily determined at the state level. States are free to provide subsidies to any legal provider–licensed or unlicensed, organized or informal– selected by a parent. As a result of the flexibility within the program the educational quality of providers varies dramatically. Child care settings could play a role in a proposal to offer universal preschool to all low-income 4 year olds if funds were used to add an educational component.

A slot in a Head Start program costs approximately twice as much as a slot in a child care program. A CCDF expansion could be used ensure that all CCDF slots for 4 year olds meet educational standards comparable to Head Start or school-based programs. For example, funds could be split between grants to providers to develop an educational program and providing enhanced subsidies to children in those programs. These funds could be targeted to 4 year olds in order to complement Head Start and school-based programs for 4 year olds.

Targeting 4 year olds within the child care context could be problematic, however, in that care for infants and toddlers is the most expensive and difficult to find for low-income working parents. Creating an incentive for child care providers to focus on 4 year olds could exacerbate this problem. It would be critical to couple an expansion of this sort with additional funds to enhance the educational aspect of infant and toddler care. While including the entire universe of low-income 0-3 year olds in the proposal might be prohibitively costly, we could include a child-care specific component for 0-3 year olds. The infant and toddler piece could take the form of creating educational slots for 0-3 year olds or could be a revised version of the Early Learning Fund that would fund specific cognitive development activities and measure progress toward related performance goals.

CCDF	**Number of 4 year olds**	**Cost Estimate (millions)**	**Cost Increase over FY00 (millions)**
FY00	223,600	$ 3,550	
FY01 Passback	235,300	$ 3,750	$ 200
FY01 Settlement	271,420	$ 4,567	$ 1,017
Child Care Option A: Transform every existing CCDF child care slot for 4 year olds into an educational child care slot	235,300	$ 4,229	$ 680
Child Care Option B: Create an educational child care slot for every 4 year old child not participating in Head Start	180,600	$ 4,633	$ 1,084

*Assumes 80 percent take-up rate if sufficient funds were provided for all eligibles to participate.

106TH CONGRESS
1ST SESSION

H. R. 3365

To provide grants to local educational agencies to establish or expand prekindergarten programs for children who are not yet enrolled in kindergarten.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 15, 1999

Mr. ANDREWS introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To provide grants to local educational agencies to establish or expand prekindergarten programs for children who are not yet enrolled in kindergarten.

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

SECTION 1. PREKINDERGARTEN PROGRAM.

Title X of the Elementary and Secondary Education Act of 1965 is amended by adding at the end the following:

"PART L—PREKINDERGARTEN PROGRAMS

"SEC. 10995A. FINDINGS.

"Congress finds the following:

"(1) Countless studies have shown what every parent already knows: High-quality preschool education programs work. They prepare children to learn when they go to school, and the programs increase the success of students throughout their lives.

"(2) Children who get a high-quality prekindergarten education are more likely to increase their overall IQ, improve their results on achievement tests, and increase their chances of graduating from high school and pursuing some form of higher education. These same children are less likely to repeat a grade level and have less need for special education instruction than those with no preschool background, thus saving local educational agencies funds that might otherwise be necessary to provide special education instruction.

"(3) Prekindergarten education makes an enormous difference in the lives of children from lower-income families. The following specific results were found for children eligible for Head Start services or child care assistance, children who belong to a single parent, 2-child families earning less than $22,000 per year, or families of 4 earning less than $31,000 per yearÐ

"(A) 29 percent of the children who attended prekindergarten program were employed in jobs paying over $2,000 by age 27, as opposed to 7 percent of those from the same income group who did not receive prekindergarten education.

"(B) Only 57 percent of the children who attended a prekindergarten program grew up to become single mothers, as opposed to 83 percent of the same income group who did not attend a prekindergarten program.

"(C) 36 percent of the children who attended a prekindergarten program grew up to own their own homes, as opposed to only 13 percent of the same income group who did not attend such a program.

"(D) Less than 13 percent of the boys in the group who attended a prekindergarten program grew up to be arrested 5 or more times, as opposed to 49 percent of the boys from the same income group who did not attend a prekindergarten program.

"SEC. 10995B. PROGRAM AUTHORIZED.

"(a) IN GENERAL.— The Secretary is authorized to provide grants to local educational agencies with an approved application under section 10995C to allow such agencies to establish or expand prekindergarten early learning programs to be operated by the local education agency.

``(b) PRIORITY.Ð The Secretary shall give priority for grants under this part to local educational agencies with the highest population of children, ages 3 to 5, not enrolled in a prekindergarten or kindergarten program.

"SEC. 10995C. APPLICATIONS.

``(a) IN GENERAL.Ð A local educational agency that desires to receive a grant under this part shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

``(b) CONTENT.Ð An application referred to in subsection (a), at a minimum, shallÐ

``(1) demonstrate a need for the establishment or expansion of a prekindergarten program;

``(2) provide an assurance that each individual hired to work with children in the prekindergarten program is a teacher or child development specialist certified by the State;

``(3) provide an assurance that the ratio of teacher or child development specialist to children shall not exceed 10±1;

"(4) provide an assurance that the local educational agency will provide, either directly or through private contributions, non-Federal matching funds equal to not less than 50 percent of the amount of the grant award, these contributions shall include in kind contributions and parental co-payments;

"(5) provide an assurance that the local educational agency will develop a sliding fee schedule to ensure that the parents of a child who attends a prekindergarten program established under this part share in the cost of providing the prekindergarten program, but the amount of such contribution shall not exceed $50 each week that a child attends such program;

"(6) provide a description of how funds will be used to coordinate with and build on, but not duplicate or supplant, early childhood programs that exist in the community;

"(7) describe how the agency will use a collaborative process with organizations and members of the community that have an interest and experience in early childhood development and education to establish prekindergarten programs;

"(8) describe how the agency will coordinate with and expand, but not duplicate or supplant, early childhood programs that exist in the community;

How is this not duplicative ? [7?]

"(9) review scientifically based research on early childhood education services that focus on language, literacy, and reading development;

"(10) describe how the program will meet the diverse needs of children, ages 3 through 5, in the community who are not enrolled in kindergarten, including children who have special needs;

"(11) describe how to employ methods that ensure a smooth transition for participating students from early childhood education to kindergarten and early elementary education;

"(12) describe the results the programs are intended to achieve, and what tools to use to measure the progress in attaining those results;

"(13) describe a plan to operate the program without using funds made available under this part; and

"(14) provide an assurance that none of the funds received under this part may be used for the construction or renovation of existing or new facilities (except for minor remodeling needed to accomplish the purposes of this part);

"SEC. 10995D. USES OF FUNDS.

"(a) IN GENERAL.Ð A local educational agency that receives a grant award under this part may use funds received to establish or expand prekindergarten programs for children, ages 3 through 5, who are not enrolled in kindergarten.

"(b) PREKINDERGARTEN PROGRAMS.Ð Each prekindergarten program that is established pursuant to this part shallÐ

"(1) focus on the developmental needs of participating children, including their social, cognitive, and language-development needs, and use research-based approaches that build on competencies that lead to school success, particularly in language and literacy development and in reading; and

"(2) ensure that participating children, at a minimumÐ *outcome measures*

"(A) understand and use language to communicate for various purposes;

"(B) understand and use increasingly complex and varied vocabulary;

"(C) develop and demonstrate an appreciation of books;

``(D) develop phonemic, print, and numeracy awareness; and

``(E) in the case of children with limited English proficiency, progress toward acquisition of the English language.

"SEC. 10995E. REPORTING.

``(a) LOCAL REPORTS.Ð Each local educational agency that receives a grant award under this part shall submit to the Secretary annually a report that reviews the effectiveness of the prekindergarten program established with funds provided under this part.

``(b) REPORT TO CONGRESS.Ð The Secretary shall submit to Congress annually a report that evaluates the prekindergarten programs established under this part.

"SEC. 10995F. AUTHORIZATION OF APPROPRIATIONS.

`There are authorized to be appropriated to carry out this part $210,000,000 for fiscal year 2001, $210,000,000 for fiscal year 2002, $1,000,000,000 for fiscal year 2003, $1,500,000,000 for fiscal year 2004, and $2,100,000,000 for fiscal year 2005.".

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EARLY LEARNING GRANTS FOR PRE-KINDERGARTEN EDUCATION

The Need

Educational studies again and again have shown that children who enroll in nursery school and other pre-kindergarten programs go onto, by and large, more fruitful academic careers. These students, on average, show higher IQ scores, score higher on standardized tests, have a higher high school graduation rate, and are more likely to go onto college and post-baccalaureate studies.

The life-long benefits gained in these pre-K programs go far beyond academic lessons. Currently, the Head Start program makes pre-K available for many children of single parents, 2-child families making under $22,000, and families of four making less than $31,000. Of this income group, only 57% of former pre-K students grew up to be single mothers as compared to 83% of those who did not attend pre-K programs. Additionally, less then 13% of males from this income group who attended pre-K went on to be arrested a minimum of five times as compared to the 49% from this same group who did not attend pre-K.

Currently, the federal government funds pre-K and educational child care programs through Head Start and the Child Care Development Block Grant. These worthy programs address the needs of poor and underprivileged children. However, many families are caught in the economic middle: they earn too much to qualify for Head Start or the subsidized pre-K programs of the Child Care Development Block Grant; yet these families cannot afford to send their children to a private pre-Kindergarten or nursery school. My legislation will amend the Elementary and Secondary Education Act (ESEA) to address this problem. This bill will authorize the necessary funding for pre-k programs for every local education agency without undercutting Head Start.

The Solution

My proposed legislation will lay the ground work for the goal of universal availability of pre-Kindergarten for every three- and four-year-old in America. It would allow LEA's to apply to the Department of Education for an early learning grant to establish a pre-K education program in the public schools. In order to receive these grants, these LEA's would have to:

1. Show a need for a pre-K program
2. Assure the DOE that each employee will be a teacher or child development specialist certified by that State
3. Provide an adequate teacher/child ratio
4. Provide matching funds
5. Ensure cost containment for parents of enrolling children
6. Any application must not interfere with any existing Head Start program.
7. Ensure funds will be used to establish a new pre-K program, not for current K-12 students and not to fund new construction projects.

Once these LEA's have received their grant, they would be required to provide annual reports to the Department of Education. The Secretary would, in turn, submit an annual report to Congress, thus ensuring accountability on all levels.

Andrews Proposal To Establish New "Early Learning Grants" to School Districts

Congressman Andrews' bill would establish a new program under the Elementary and Secondary Education Act (ESEA) to provide early learning grants to school districts. The ESEA, which authorizes all federal support to public schools, is re-written by Congress every five years and it is up for renewal by the Education and the Workforce Committee this year, of which Congressman Andrews is a senior member.

School districts would use these grants to create pre-K early learning programs to get three- and four-year-olds ready to learn before they enter Kindergarten. School districts would be required to establish high-quality programs with low student-teacher ratios, and to staff their new pre-K classes with duly accredited teachers. The funds for this new Title of the ESEA would not compete with the other parts of the law, but would be new funds specifically for the purpose of encouraging school districts to establish these pre-K programs.

The parents of **America's eight million three- and four-year olds** will continue to choose a variety of options for pre-K education. **Two million of these children come from low-income families, and are eligible for Head Start or subsidized child care programs,** which Andrews has proposed to fully fund. The parents of **another three million of these children will continue to choose** other options. Some will decide that one parent will stay at home to educate their children, or will ask another member of the family to care for the children while the parents work. Others will send their children to employer-provided day care centers or private pre-schools.

The Andrews plan will begin to close the remaining gap – creating new high-quality pre-K education programs in schools, to give new opportunities to some of the parents of **3 million three- and four-year old children** who cannot afford to choose any of these other options. The Andrews plan would provide **$5 billion in early learning grants to school districts over the first five years:** $210 million in year 1; $210 million in year 2; $1 billion in year 3; $1.5 billion in year 4; and $2.1 billion in year 5. The plan begins as a pilot program to determine the best ways of providing pre-K educational services in the schools. These grants will be awarded on a competitive basis to school districts with the best applications, distributed evenly across the states according to a population funding formula. School districts or states will provide 25% of the cost of the pre-school programs, parents will pay up to $50 per week to account for 25% of the cost, and the federal grants will make up the remaining 50%.

High-quality educational pre-Kindergarten programs require funding of approximately $7,000 per child per year, of which $3,500 would come from the federal government under this plan. Therefore, the funding in Andrews' proposal would allow schools to serve more than 1.5 million students over five years. As many as 60,000 pre-school slots would be available nationwide in the first year, enough for 2% of the 3,000,000 three- and four-year-old children in the target group. In the fifth year, the funding would allow schools to provide pre-K slots for 20% of this group across America – 600,000 pre-school students altogether.

For example, in **Deptford, New Jersey,** there are 448 three- and four-year-old children expected to start kindergarten in the next two years. In order to serve all of them, the Deptford School District would have an estimated cost of **$3.13 million**. The Andrews plan would provide **a $1.56 million federal early learning grant** to help the school district establish this program. The state or the school district would provide $780,000 as part of the 25% matching requirement. Parents would be expected to pay approximately $50 per child per week, accounting for a 25% share of the program's cost ($1,750 per child per year).

Congressman
Rob Andrews
NEWS RELEASE

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FOR IMMEDIATE RELEASE

Date: March 1, 1999
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ANDREWS UNVEILS PLANS TO EXPAND PRE-K EDUCATION, IMPROVE CHILD CARE

DEPTFORD, N.J. – Congressman Rob Andrews (D-Haddon Heights) announced his plan to provide $5 billion in new "early learning" grants over five years to help school districts provide Pre-K education to three- and four-year-olds. Few schools today can afford to provide these programs. Instead, most working parents with pre-school-age children struggle to afford child care, one of the greatest household expenses for these families.

Andrews' plan would also invest more than $15 billion over five years as part of a balanced budget, to:

- establish new tax credits to help parents who stay home with their pre-schoolers ($1.3 billion over five years)
- increase tax credits to help three million working families pay for child care ($5 billion over five years)
- increase the number of children receiving child care assistance ($7.5 billion over five years)
- encourage businesses to provide educational day care for their employees' kids ($500 million over five years)
- provide after-school care to one million children and improve child care quality ($750 million over five years)

"Every parent knows – and countless studies have proven – that early learning programs are essential in a young child's educational and social development. Only a few parents are fortunate enough to have pre-school options available to them now – either by staying at home with their kids, or through employer-provided day care centers, Head Start and other programs for disadvantaged children, or private pre-schools," Andrews said.

"Every three- and four-year-old should have access to a high-quality pre-school educational program," Andrews continued. "Our society has a crucial interest in ensuring that our children start school with better language fluency, pre-mathematics and reading skills, and stronger social development. Pre-school-age children need intensive attention and supervised learning from their parents, relatives, and qualified teachers. If we help our children get ready to learn, they will be better equipped to be successful students and productive workers."

As a senior member of the Education Committee, Andrews will propose the pre-K education portion of his plan as a new section of the Elementary and Secondary Education Act during this year's re-writing of that law. Andrews has also co-sponsored a balanced budget plan which includes the tax credits and other child care initiatives. He will work to include these new programs in the final budget later this year.

###

Zoe M. Neuberger
01/10/2000 09:52:27 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: See the distribution list at the bottom of this message
Subject: Early Learning Fund legislative language

Attached is a revised version of last year's Early Learning Fund bill language. The most significant changes are the addition of federal educational outcome goals and the strengthening of the national evaluation. I've also reorganized the list of allowable activities and changed the headings, but haven't actually removed or added any activites. Please get me comments (by email or marked up hard copies) as soon as possible--we said we'd try to reach internal consensus early this week so we could present the changes to HHS. + ED

Should share draft w/ both HHS & ED

ELF bill FY01.wpd

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SEC. __. EARLY LEARNING PROGRAM.

(a) FUNDING.—Section 418 of the Social Security Act (42 U.S.C. 618) is amended by adding after subsection (b) (as added by section ___) the following new subsection:

"(c) APPROPRIATIONS FOR EARLY LEARNING PROGRAM.—

"(1) IN GENERAL.—There are appropriated out of any funds in the Treasury not otherwise appropriated, for carrying out activities related to early learning programs in accordance with this section and section 658T of the CCDBG Act, $600,000,000 for each of fiscal years ~~2000~~ 2001 through ~~2004~~ 2005, which shall be allocated in accordance with this subsection.

"(2) ALLOCATION OF APPROPRIATIONS.—Amounts appropriated for each fiscal year pursuant to paragraph (1) shall be allocated as follows:

"(A) AMOUNT FOR INDIAN TRIBES.—Up to two percent of the total amount appropriated shall be allocated to Indian tribes in proportional shares equal to the shares received by such tribes for such fiscal year under section 658O(c) of that Act.

"(B) AMOUNTS FOR TERRITORIES.—An amount shall be allotted to each territory that bears the same ratio to one-half of one percent of the total amount appropriated as the amount allotted to such territory for such fiscal year under section 658O(a)(1) of that Act bears to the total amount received by all territories for such fiscal year under such section.

"(C) SECRETARY'S ACTIVITIES.—~~$6,000,000~~ $x,xxx,xxx is reserved to the Secretary and shall be available to conduct a national evaluation of the effect of State, local, and tribal early learning programs on cognitive development and educational achievement, including educational outcomes measures specified in section 658T(b)(2)(E), $xxx,xxx of which may be used for costs of providing technical assistance to~~, and conducting national evaluations of,~~ State, local, and tribal early learning programs under such section 658T.

"(D) AMOUNTS FOR STATES.—From the total amount appropriated remaining after application of subparagraphs (A), (B), and (C), an amount shall be allocated among the States based on the formula used for determining the amount of Federal payments to the State under section 658O of the CCDBG Act.

"(3) MATCHING PAYMENTS TO STATES AND TERRITORIES.—

"(A) FEDERAL PAYMENTS.—The Secretary shall pay to each State and territory for a fiscal year an amount equal to the lesser of its allotment under paragraph (2) or 80 percent of expenditures by the State or territory for an early learning program under a plan approved under section 658T of the CCDBG Act.

"(B) REDISTRIBUTION.—The Secretary shall, to the extent necessary, determine the need for redistribution of, and redistribute, amounts allotted under this subsection to States, in accordance with the procedures and formula set forth in subsection (a)(2)(D).

"(4) PAYMENTS TO INDIAN TRIBES.—The Secretary shall pay to each Indian tribe for a fiscal year an amount equal to the lesser of its allotment under paragraph (2)(A) or the total amount of expenditures by the tribe for an early learning program under section 658T of the CCDBG Act.".

(b) ESTABLISHMENT OF EARLY LEARNING PROGRAM.—

(1) STATE PLAN REQUIREMENT.—Section 658E(c) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)) is amended by adding at the end the following new paragraph:

"(6) EARLY LEARNING PROGRAM PLAN REQUIREMENTS.—In the case of a State electing to implement an early learning program under section 658T, the State plan shall meet the requirements specified in section 658T(b)(2).".

(2) EARLY LEARNING PROGRAM.–That Act is amended by adding at the end the following new section:

"SEC. 658T. EARLY LEARNING PROGRAM.

"(a) PROGRAM PURPOSE.—The purpose of the program under this section is to enable States, through grants to communities, to support activities that—

"(1) promote children's ~~healthy~~ cognitive, social, and behavioral development during the earliest years of life;

"(2) improve early childhood education in ~~the quality of~~ child care settings for children aged five and under, including those with disabilities; and and those w/ limited English proficiency

"(3) encourage and facilitate emerging literacy, ~~and~~ language development, reading, and school readiness~~; and~~

~~"(4) enhance programs designed to achieve these goals~~.

"(b) REQUIREMENTS FOR STATE PARTICIPATION.—

"(1) IN GENERAL.—In order to be eligible for Federal matching funds under section 418(c) of the Social Security Act, the State shall have in effect under its plan under section 658E an early learning program plan meeting the requirements specified in paragraph (2).

"(2) EARLY LEARNING PROGRAM PLAN REQUIREMENTS.—The early learning program plan shall meet the following requirements:

"(A) LEAD AGENCY.—The plan shall provide that the program will be administered by the lead agency designated under 658D.

"(B) COMMUNITY GRANT PROCEDURES.—The plan shall describe the standards and procedures to be applied in the review and approval of community applications, and in setting amounts, terms, and conditions of community grants, including the methods to be used to ensure that no less than 70 percent of grant funds are awarded to low-income communities, funded programs are designed to promote the educational outcomes specified in section subsection (b)(2)(E)(i), and funded programs reflect ~~scientifically based~~ research findings on language, literacy, and reading development. literacy, lang dev & school readiness

"(C) COMMUNITY PARTICIPATION IN PLANNING AND

MONITORING.—The plan shall describe the methods to be used to ensure participation, in planning and monitoring activities under the community plan, of representatives of concerned elements of the community, including parents of young children, child care providers, child development and mental health professionals, early intervention specialists, health care providers, public school representatives, local interagency coordinating councils for children with disabilities, local government, and business leaders.

"(D) PROGRAM ACTIVITIES.—The plan shall specify which of the allowable activities enumerated in subsection (c) may be carried out under community grants under the plan.

"(E) PERFORMANCE GOALS AND MEASURES.—Children participating in early learning programs funded under section 658T of the CCDBG Act will be expected to program team: at a minimum to understand and use language to communicate for various purposes; understand and use increasingly complex and varied vocabulary; develop and demonstrate an appreciation of books; develop phonemic, print, and numeracy awareness; and, in the case of children with limited English proficiency, progress toward acquisition of the English language. The Secretary shall provide guidance regarding specific performance goals, outcome benchmarks, acceptable methodologies for assessing progress, and steps to be taken if specified benchmarks are not achieved. The plan shall specify

how they will devise consult w/ local gov auth.

(i) how the State will make progress toward the performance goals and outcome benchmarks provided in guidance by the Secretary;

(ii) the methodology the State will use to assess progress toward the performance goals and outcome benchmarks provided in guidance by the Secretary; and

~~(i) performance goals to be achieved and the interim and long term performance measures and timetables, as appropriate, to be used to assess~~

~~progress toward each goal under the plan, which —~~

~~(I) shall be developed pursuant to guidance provided by the Secretary and in consultation with local government authorities in accordance with section 658D(b)(2); and~~

~~(II) shall be designed to improve child development through coordination with health care and mental health services; enhanced early learning environments, especially those that promote language skills and literacy growth of children; quality of infant and toddler care; parental involvement; consumer education; reduced staff turnover; and increased rates of accreditation by nationally recognized accreditation organizations;~~

(~~ii~~ iii) the steps to be taken by the State or grantees in accordance with guidance provided by the Secretary if the specified outcome interim benchmarks are not achieved.

"(F) COORDINATION ~~WITH ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE~~.—The State plan shall specify the methods to be used to coordinate activities under this section and section 658G(a), including coordination of planning and of performance goals and measures~~, in order to maximize the effectiveness of both programs~~ and coordination with local educational agencies to ensure a smooth transition from child care programs receiving early learning program funds under section 658T to kindergarten and early elementary education. Funds provided for early learning programs under section 658T shall be used to supplement rather than supplant existing programs.

coordination w/ headstart?

other than LEA

h/s health care

"(c) ALLOWABLE ACTIVITIES.—An early learning program under a State plan under this section may provide for any or all of the following activities to promote cognitive, social, emotional, and physical development in order to enhance emerging literacy and language development, and school readiness:

"(1) PARENTING EDUCATION TO PROMOTE LEARNING AT HOME ~~INFORMATION AND RESOURCES.—~~

~~"(A) PARENTING EDUCATION.—~~Provision of parenting education, including use of or collaboration with Even Start or similar programs, for parents of young children by means including use of community-based resource centers, family literacy programs with parenting education components, collaboration with early intervention and preschool providers of services for children, public elementary schools, centers that serve children with special health care needs or disabilities and their families, and home visiting programs.

~~"(B) INFORMATION AND REFERRAL.—Initiatives to develop or increase the availability of consumer education information and referral services and other resources to assist parents to locate and assess the quality of available child care services.~~

~~"(C) FAMILY CHILD CARE NETWORKS.—Development of support networks, information and referral services, and other supportive services addressing needs of family child care providers for access to such resources as education, training, and community support services.".~~

"(2) ACTIVITIES TO PROMOTE QUALITY TEACHING IN CHILD CARE SETTINGS ~~QUALITY AND AVAILABILITY~~.—

"(A) PROVIDER TRAINING.—Training of child care personnel, which may include training in early childhood development, early literacy, ~~health, nutrition, hygiene, first-aid and safety,~~ best practices for serving children with disabilities in child care, and other appropriate matters.

LLG

"(B) IMPROVED STAFFING RATIOS.—Initiatives to increase ratios of child care staff to children in care and to reduce child care group sizes.

"(C) SALARY AND BENEFIT ENHANCEMENT.—Assistance to child care programs to increase the quality and continuity of care by attracting or retaining highly qualified child care staff working directly with children through enhanced compensation.

"(D) FAMILY CHILD CARE NETWORKS.—Development of support networks, information and referral services, and other supportive services addressing needs of family child care providers for access to such resources as education, training, and community support services.".

"(3) ACTIVITIES TO PROMOTE QUALITY CHILD CARE—

"(~~C~~ A) LICENSING AND ACCREDITATION ASSISTANCE.—Assistance to entities and individuals in meeting applicable child care accreditation and licensing requirements and in obtaining licensing or accreditation.

"(~~D~~ B) STANDARDS ENFORCEMENT.—Initiatives to increase the numbers of qualified child care licensing and standards enforcement staff and activities to increase monitoring and enforcement of State and local health and safety standards.

"(C) INFORMATION AND REFERRAL.—Initiatives to develop or increase the availability of consumer education information and referral services and other resources to assist parents to locate and assess the quality of available child care services.

"(~~E~~ D) HEALTH SERVICES.—Improving coordination of child care with appropriate health services including health and mental health consultations, hearing and vision testing, and immunizations, by methods such as co-location of health and child care services, referrals of children in child care to health care providers or screening services, and transfer of child health records to public school at school entry. Services under this subparagraph shall not include direct provision of or payment for health care services.

"(~~F~~ E) CARE FOR CHILDREN WITH SPECIAL NEEDS.—Increasing the availability and quality of child care for young children with special health care needs, developmental delays, and disabilities; and coordinating ~~with early~~ intervention and preschool special education services.

~~"(G) SALARY AND BENEFIT ENHANCEMENT.—Assistance to child care programs to increase the quality and continuity of care by attracting or retaining highly qualified child care staff working directly with children through enhanced compensation.~~

"(~~H~~ F) MONITORING AND TECHNICAL ASSISTANCE.—Technical assistance to grantees, and monitoring of programs, assisted under this section. State expenditures under this subparagraph shall not exceed a percentage of total State expenditures for the program under this section equal to 10 percent for each of fiscal years ~~2000~~ 2001 through ~~2002~~ 2003, and 5 percent for fiscal year ~~2003~~ 2004 and each succeeding fiscal year.".

(c) ANNUAL REPORT.—Section 658K(a)(2) of the Act (42 U.S.C. 9858i(a)(2)) is amended—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting a semicolon; and

(3) by inserting after and below subparagraph (E) the following new subparagraphs:

"(F) the early learning program under section 658T, including—

"(i) the number and average dollar amount of grants awarded;

"(ii) the number, average dollar amount, and percentage of the total

State award of such grants made to low-income communities;

"(iii) the number of early learning programs;

"(iv) the number of children served with special health care needs, disabilities or developmental delays;

"(v) the number of early learning programs that assist children with special needs;

"(vi) progress toward the educational outcomes specified in section 658T(b)(2)(E), including specific and quantifiable measures of achievement of each performance goal and benchmark provided in guidance by the Secretary, ~~for each specific, quantifiable and measurable objective~~;

"(vii) expenditures for each allowable activity listed in section 658T(c), total expenditures and, to the extent feasible, the volume or frequency of such activity and the average expenditure per unit of such activity; and

"(viii) with respect to any allowable activity listed in section 658T(c) for which expenditures are made by the State both under section 658G(a) and under section 658T, the amount expended under each such section; and

"(ix) such other data as the Secretary may require.

SEC. __. EARLY LEARNING PROGRAM.

(a) FUNDING.—Section 418 of the Social Security Act (42 U.S.C. 618) is amended by adding after subsection (b) (as added by section ___) the following new subsection:

"(c) APPROPRIATIONS FOR EARLY LEARNING PROGRAM.—

"(1) IN GENERAL.—There are appropriated out of any funds in the Treasury not otherwise appropriated, for carrying out activities related to early learning programs in accordance with this section and section 658T of the CCDBG Act, $600,000,000 for each of fiscal years ~~2000~~ 2001 through ~~2004~~ 2005, which shall be allocated in accordance with this subsection.

"(2) ALLOCATION OF APPROPRIATIONS.—Amounts appropriated for each fiscal year pursuant to paragraph (1) shall be allocated as follows:

"(A) AMOUNT FOR INDIAN TRIBES.—Up to two percent of the total amount appropriated shall be allocated to Indian tribes in proportional shares equal to the shares received by such tribes for such fiscal year under section 658O(c) of that Act.

"(B) AMOUNTS FOR TERRITORIES.—An amount shall be allotted to each territory that bears the same ratio to one-half of one percent of the total amount appropriated as the amount allotted to such territory for such fiscal year under section 658O(a)(1) of that Act bears to the total amount received by all territories for such fiscal year under such section.

"(C) SECRETARY'S ACTIVITIES.—~~$6,000,000~~ $x,xxx,xxx is reserved to the Secretary and shall be available to conduct a national evaluation of the effect of State, local, and tribal early learning programs on cognitive development and educational achievement, including educational outcomes measures specified in section 658T(b)(2)(E), $xxx,xxx of which may be used for costs of providing technical assistance to~~, and conducting national evaluations of,~~ State, local, and tribal early learning programs under such section 658T.

"(D) AMOUNTS FOR STATES.—From the total amount appropriated remaining after application of subparagraphs (A), (B), and (C), an amount shall be allocated among the States based on the formula used for determining the amount of Federal payments to the State under section 658O of the CCDBG Act.

"(3) MATCHING PAYMENTS TO STATES AND TERRITORIES.—

"(A) FEDERAL PAYMENTS.—The Secretary shall pay to each State and territory for a fiscal year an amount equal to the lesser of its allotment under paragraph (2) or 80 percent of expenditures by the State or territory for an early learning program under a plan approved under section 658T of the CCDBG Act.

"(B) REDISTRIBUTION.—The Secretary shall, to the extent necessary, determine the need for redistribution of, and redistribute, amounts allotted under this subsection to States, in accordance with the procedures and formula set forth in subsection (a)(2)(D).

"(4) PAYMENTS TO INDIAN TRIBES.—The Secretary shall pay to each Indian tribe for a fiscal year an amount equal to the lesser of its allotment under paragraph (2)(A) or the total amount of expenditures by the tribe for an early learning program under section 658T of the CCDBG Act.".

(b) ESTABLISHMENT OF EARLY LEARNING PROGRAM.—

(1) STATE PLAN REQUIREMENT.—Section 658E(c) of the Child Care and

Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)) is amended by adding at the end the following new paragraph:

"(6) EARLY LEARNING PROGRAM PLAN REQUIREMENTS.—In the case of a State electing to implement an early learning program under section 658T, the State plan shall meet the requirements specified in section 658T(b)(2).".

(2) EARLY LEARNING PROGRAM.–That Act is amended by adding at the end the following new section:

"SEC. 658T. EARLY LEARNING PROGRAM.

"(a) PROGRAM PURPOSE.—The purpose of the program under this section is to enable States, through grants to communities, to support activities that—

"(1) promote children's ~~healthy~~ cognitive, social, and behavioral development during the earliest years of life;

"(2) improve early childhood education in ~~the quality of~~ child care settings for children aged five and under, including those with disabilities; and

"(3) encourage and facilitate emerging literacy, ~~and~~ language development, reading, and school readiness~~; and~~

~~"(4) enhance programs designed to achieve these goals~~.

"(b) REQUIREMENTS FOR STATE PARTICIPATION.—

"(1) IN GENERAL.—In order to be eligible for Federal matching funds under section 418(c) of the Social Security Act, the State shall have in effect under its plan under section 658E an early learning program plan meeting the requirements specified in paragraph (2).

"(2) EARLY LEARNING PROGRAM PLAN REQUIREMENTS.—The early learning program plan shall meet the following requirements:

"(A) LEAD AGENCY.—The plan shall provide that the program will be administered by the lead agency designated under 658D.

"(B) COMMUNITY GRANT PROCEDURES.—The plan shall describe the standards and procedures to be applied in the review and approval of community applications, and in setting amounts, terms, and conditions of community grants, including the methods to be used to ensure that no less than 70 percent of grant funds are awarded to low-income communities, funded programs are designed to promote the educational outcomes specified in section subsection (b)(2)(E)(i), and funded programs reflect scientifically based research findings on language, literacy, and reading development.

"(C) COMMUNITY PARTICIPATION IN PLANNING AND MONITORING.—The plan shall describe the methods to be used to ensure participation, in planning and monitoring activities under the community plan, of representatives of concerned elements of the community, including parents of young children, child care providers, child development and mental health professionals, early intervention specialists, health care providers, public school representatives, local interagency coordinating councils for children with disabilities, local government, and business leaders.

"(D) PROGRAM ACTIVITIES.—The plan shall specify which of the allowable activities enumerated in subsection (c) may be carried out under community grants under the plan.

"(E) PERFORMANCE GOALS AND MEASURES.—Children participating in early learning programs funded under section 658T of the CCDBG Act will be expected at a minimum to understand and use language to communicate for various purposes; understand and use increasingly complex and varied vocabulary; develop and demonstrate an appreciation of books; develop phonemic, print, and numeracy awareness; and in the case of children with limited English proficiency, progress toward acquisition of the English language. The Secretary shall provide guidance regarding specific performance goals, outcome benchmarks, acceptable methodologies for assessing progress, and steps to be taken if specified benchmarks are not achieved. The plan shall specify

(i) how the State will make progress toward the performance goals and outcome benchmarks provided in guidance by the Secretary;

(i) how [illegible] in consult w/ local gov't auth in accord w/ 658(D)2

(ii) the methodology the State will use to assess progress toward the performance goals and outcome benchmarks provided in guidance by the Secretary; and

~~(i) performance goals to be achieved and the interim and long term performance measures and timetables, as appropriate, to be used to assess progress toward each goal under the plan, which—~~

~~(I) shall be developed pursuant to guidance provided by the Secretary and in consultation with local government authorities in accordance with section 658D(b)(2); and~~

~~(II) shall be designed to improve child development through coordination with health care and mental health services; enhanced early~~

~~learning environments, especially those that promote language skills and literacy growth of children; quality of infant and toddler care; parental involvement; consumer education; reduced staff turnover; and increased rates of accreditation by nationally recognized accreditation organizations;~~

(~~ii~~ iii) the steps to be taken by the State or grantees in accordance with guidance provided by the Secretary if the specified outcome benchmarks are not achieved.

"(F) COORDINATION ~~WITH ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE~~.—The State plan shall specify the methods to be used to coordinate activities under this section and section 658G(a), including coordination of planning and of performance goals and measures~~, in order to maximize the effectiveness of both programs~~ and coordination with local educational agencies to ensure a smooth transition from child care programs receiving early learning program funds under section 658T to kindergarten and early elementary education. Funds provided for early learning programs under section 658T shall be used to supplement rather than supplant existing programs.

Must have local input to deal w/ more than LEA

"(c) ALLOWABLE ACTIVITIES.—An early learning program under a State plan under this section may provide for any or all of the following activities to promote cognitive, social, emotional, and physical development in order to enhance emerging literacy and language development, and school readiness:

"(1) PARENTING EDUCATION TO PROMOTE LEARNING AT HOME ~~INFORMATION AND RESOURCES.—~~

~~"(A) PARENTING EDUCATION.—~~Provision of parenting education, including use of or collaboration with Even Start or similar programs, for parents of young children by means including use of community-based resource centers, family literacy programs with parenting education components, collaboration with early intervention and preschool providers of services for children, public elementary schools, centers that serve children with special health care needs or disabilities and their families, and home visiting programs.

~~"(B) INFORMATION AND REFERRAL.—Initiatives to develop or increase the availability of consumer education information and referral services and other resources to assist parents to locate and assess the quality of available child care services.~~

Keep, even if we need to The [illegible] Early Years Parents Know

~~"(C) FAMILY CHILD CARE NETWORKS.—Development of support networks, information and referral services, and other supportive services addressing needs of family child care providers for access to such resources as education, training, and community support services.".~~

"(2) ACTIVITIES TO PROMOTE QUALITY TEACHING IN CHILD CARE SETTINGS ~~QUALITY AND AVAILABILITY~~.—

"(A) PROVIDER TRAINING.—Training of child care personnel, which may include training in early childhood development, early literacy, ~~health, nutrition, hygiene, first-aid and safety,~~ best practices for serving children with disabilities in child care, and other appropriate matters.

"(B) IMPROVED STAFFING RATIOS.—Initiatives to increase ratios of child care staff to children in care and to reduce child care group sizes.

"(C) SALARY AND BENEFIT ENHANCEMENT.—Assistance to child care programs to increase the quality and continuity of care by attracting or retaining highly qualified child care staff working directly with children through enhanced compensation.

"(D) FAMILY CHILD CARE NETWORKS.—Development of support networks, information and referral services, and other supportive services addressing needs of family child care providers for access to such resources as education, training, and community support services.".

"(3) ACTIVITIES TO PROMOTE QUALITY CHILD CARE—

"(~~C~~ A) LICENSING AND ACCREDITATION ASSISTANCE.—Assistance to entities and individuals in meeting applicable child care accreditation and licensing requirements and in obtaining licensing or accreditation.

"(~~D~~ B) STANDARDS ENFORCEMENT.—Initiatives to increase the numbers of qualified child care licensing and standards enforcement staff and activities to increase monitoring and enforcement of State and local health and safety standards.

"(C) INFORMATION AND REFERRAL.—Initiatives to develop or increase the availability of consumer education information and referral services and other resources to assist parents to locate and assess the quality of available child care services.

"(~~E~~ D) HEALTH SERVICES.—Improving coordination of child care with appropriate health services including health and mental health consultations, hearing and vision testing, and immunizations, by methods such as co-location of health and child care services, referrals of children in child care to health care providers or screening services, and transfer of child health records to public school at school entry. Services under this subparagraph shall not include direct provision of or payment for health care services.

"(~~F~~ E) CARE FOR CHILDREN WITH SPECIAL NEEDS.—Increasing the availability and quality of child care for young children with special health care needs, developmental delays, and disabilities; and coordinating with early intervention and preschool special education services.

~~"(G) SALARY AND BENEFIT ENHANCEMENT.—Assistance to child care programs to increase the quality and continuity of care by attracting or retaining highly qualified child care staff working directly with children through enhanced compensation.~~

"(~~H~~ F) MONITORING AND TECHNICAL ASSISTANCE.—Technical assistance to grantees, and monitoring of programs, assisted under this section. State expenditures under this subparagraph shall not exceed a percentage of total State expenditures for the program under this section equal to 10 percent for each of fiscal years ~~2000~~ 2001 through ~~2002~~ 2003, and 5 percent for fiscal year ~~2003~~ 2004 and each succeeding fiscal year.".

(c) ANNUAL REPORT.—Section 658K(a)(2) of the Act (42 U.S.C. 9858i(a)(2)) is amended—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting a semicolon; and

(3) by inserting after and below subparagraph (E) the following new subparagraphs:

"(F) the early learning program under section 658T, including—

"(i) the number and average dollar amount of grants awarded;

"(ii) the number, average dollar amount, and percentage of the total State award of such grants made to low-income communities;

"(iii) the number of early learning programs;

"(iv) the number of children served with special health care needs, disabilities or developmental delays;

"(v) the number of early learning programs that assist children with special needs;

"(vi) progress toward the educational outcomes specified in section 658T(b)(2)(E), including specific and quantifiable measures of achievement of each performance goal and benchmark provided in guidance by the Secretary, ~~for each specific, quantifiable and measurable objective~~;

"(vii) expenditures for each allowable activity listed in section 658T(c), total expenditures and, to the extent feasible, the volume or frequency of such activity and the average expenditure per unit of such activity; and

"(viii) with respect to any allowable activity listed in section 658T(c) for which expenditures are made by the State both under section 658G(a) and under section 658T, the amount expended under each such section; and

"(ix) such other data as the Secretary may require.

$500-600 million in discretionary CCDBG dollars to promote the cognitive development (i.e., improve the language, reading and math skills) of children in care. The $172 million in quality funds would be folded into this new pool.

The $500 million would be distributed according to the CCDBG formula, but in order to receive its share of the funds a State would be required to submit a "preschool education plan" (or some such name) describing how the State would use the dollars to enhance the cognitive development of children in care – i.e., by improving provider education/training, reducing ratios and group sizes, increasing reimbursement rates for accredited programs, etc. Each year the State would report on progress toward goals established in the plan (e.g., number of programs with ratios below a certain level, number of children in accredited programs, number of providers receiving AAs or BAs in ECE through the program) – the goals would have to be approved by HHS. States failing to make progress toward the goals would have to submit a corrective action plan or lose funding.

The plan would also have to describe how these new dollars would be coordinated with other funding streams for preschool care (i.e., State-funded pre-K efforts) and how local input would be obtained re: use of the $500-600 million.

[illegible] CONGRESS [illegible] | HOUSE OF REPRESENTATIVES | REPORT 105–825

[illegible]

[illegible]KING OMNIBUS CONSOLIDATED AND [illegible]ERGENCY SUPPLEMENTAL APPROPRIA[illegible]TIONS FOR FISCAL YEA[illegible]

CONFE[illegible]

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96–422), $415,000,000: *Provided*, That funds appropriated pursuant to section 414(a) of the Immigration and Nationality Act under Public Law 104–208 for fiscal year 1997 shall be available for the costs of assistance provided and other activities conducted in such year and in fiscal years 1998 and 1999.

CHILD CARE AND DEVELOPMENT BLOCK GRANT

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), to become available on October 1, 1999, and remain available through September 30, 2000, $1,182,672,000: *Provided*, That $19,120,000 shall be available for child care resource and referral and school-aged child care activities: *Provided further*, That of the funds provided for fiscal year 1999 under Public Law 105–78, $50,000,000 shall be reserved by the States for activities authorized under section 658G of the Omnibus Budget Reconciliation Act of 1981 (the Child Care and Development Block Grant Act of 1990), such funds to be in addition to the amounts required to be reserved by States under such section 658G: *Provided further*, That of the funds provided for fiscal year 2000 $172,672,000 shall be reserved by the States for activities authorized under section 658G of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), such funds to be in addition to the amounts required to be reserved by the States under such section 658G: *Provided further*, That of the funds provided for fiscal year 2000, $10,000,000 shall be for use by the Secretary for child care research, demonstration and evaluation activities (directly or by grants or contracts).

SOCIAL SERVICES BLOCK GRANT

For making grants to States pursuant to section 2002 of the Social Security Act, $1,909,000,000: *Provided*, That (1) notwithstanding section 2003(c) of such Act, as amended, the amount specified for allocation under such section for fiscal year 1999 shall be $1,909,000,000 and (2) notwithstanding subparagraph (B) of section 404(d)(2) of such Act, the applicable percent specified under such subparagraph for a State to carry out State programs pursuant to title XX of such Act for fiscal years 1999 and 2000 shall be 10 percent.

CHILDREN AND FAMILIES SERVICES PROGRAMS

(INCLUDING RESCISSIONS)

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Developmental Disabilities Assistance and Bill of Rights Act, the Head Start Act, the Child Abuse Prevention and Treatment Act (including section 105(a)(2) of the Child Abuse Prevention and Treatment Act), the Native American Programs Act of 1974, title II of Public Law 95–266 (adoption opportu-

2004

The conference agreement provides that in both fiscal years 1999 and 2000 up to $27,500,000 is to be used for the leveraging incentive fund.

REFUGEE AND ENTRANT ASSISTANCE

The conference agreement includes $415,000,000 as proposed by the Senate instead of $415,165,000 as proposed by the House. It is understood that approximately $20,000,000 will be available in 1999 from 1997 carryover funds; these funds shall be used under social services to increase educational support to schools with a significant proportion of refugee children and for the development of alternative cash assistance programs that involve case management approaches to improve resettlement outcomes. Such support should include intensive English language training and cultural assimilation programs.

The conference agreement provides $220,698,000 for transitional and medical services, a decrease of $10,000,000 below the House and Senate bills. This reduction reflects lower estimates of 1998 program costs that are continued into 1999. The funding level for transitional and medical services is sufficient to continue the policy of providing eight months of assistance to new arrivals.

The conference agreement provides $139,990,000 for social services, an increase of $5,000,000 over the House and $10,000,000 over the Senate. The conference agreement includes $26,000,000 for increased support to communities with large concentrations of refugees whose cultural differences make assimilation especially difficult justifying a more intense level and longer duration of Federal assistance, and $14,000,000 to address the needs of refugees and communities impacted by the recent changes in Federal assistance programs relating to welfare reform. The agreement includes $19,000,000 for assistance to communities impacted by Cuban and Haitian entrants and refugees whose arrivals in recent years have increased.

The conference agreement includes $4,835,000 for preventive health as proposed by the Senate. The House bill consolidated this activity into social services.

CHILD CARE AND DEVELOPMENT BLOCK GRANT

The conference agreement appropriates $1,182,672,000 as an advance appropriation for fiscal year 2000 as proposed by the Senate, instead of $1,000,000,000 as proposed by the House. The agreement further provides that $19,120,000 shall be for child care resource and referral and school-aged child care activities as proposed by the Senate. The House had no similar provision. The agreement includes language proposed by the Senate modified to require the States to utilize $50,000,000 above the amount required by section 658G of the basic law for activities that improve the quality of infant and toddler child care for fiscal year 1999. The House had no similar provision. The agreement includes language to require the States to utilize $222,672,000 above the amount required by the basic law for activities that improve the quality of child care for fiscal year 2000, including $50,000,000 specifically for infant and toddler child care. The Senate bill specified $50,000,000 for that purpose. The basic law requires that not less than four percent of the appropriation be used for such activities. Finally, the agreement includes $10,000,000 for the Secretary to carry out research, demonstration and evaluation projects in fiscal year 2000.

SOCIAL SERVICES BLOCK GRANT

The conference agreement includes $1,909,000,000 as proposed by the Senate instead of $2,299,000,000 as proposed by the House. The agreement modifies a provision included in both bills that limits the ability of States to transfer TANF funds to the Social Services Block Grant. The transfer percentage allowed in fiscal years 1999 and 2000 will be 10 percent.

CHILDREN AND FAMILIES SERVICES PROGRAMS

(INCLUDING RESCISSIONS)

The conference agreement appropriates $6,137,087,000, instead of $5,946,820,000 as proposed by the House and $6,113,784,000 as proposed by the Senate. In addition, the agreement rescinds $21,000,000 from permanent appropriations as proposed by both the House and Senate.

The agreement does not include an advance appropriation of $1,365,000,000 for Head Start for fiscal year 2000 proposed by the Senate. All Head Start funds in the conference agreement are fiscal year 1999 appropriations.

The agreement appropriates $105,000,000 from the Violent Crime Reduction Trust Fund as proposed by the House instead of $101,000,000 as proposed by the Senate.

The agreement includes language proposed by the Senate providing that $10,000,000 shall be available for establishing Individual Development Accounts, contingent upon the enactment of authorizing legislation. The House had no similar provision. Also included is an additional citation to the Social Security Act as proposed by the Senate.

Within the amount provided for child abuse discretionary activities, $1,000,000 is available for carrying out activities authorized by section 105(a)(2) of the Child Abuse Prevention and Treatment Act and $2,000,000 is provided to fund a child abuse prevention resource center for the Southeastern region of the United States to be coordinated by the children's trust fund of Alabama.

Sufficient funds are included to enable the Department to give full and fair consideration to a proposal under the Child Abuse Prevention and Treatment Act for a national network to increase the safety of children. The Public Children Services Association of Ohio would be especially suited as a model for such a network.

Sufficient funds are available within the runaway and homeless youth activities to fund the Center County Youth Services of State College and Three Rivers Youth of Pittsburgh at the fiscal year 1998 funding level.

The conference agreement concurs with the Senate report language calling for a pilot study to carefully examine information systems issues confronting States as a result of welfare reform, such as data collection and reporting requirements, case management systems, and the integration of multiple systems.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

For carrying out titles III and IX of the Public Health Service Act, and part A of title XI of the Social Security Act, $111,424,000; in addition, amounts received from Freedom of Information Act fees, reimbursable and interagency agreements, and the sale of data tapes shall be credited to this appropriation and shall remain available until expended: Provided, That the amount made available pursuant to section 926(b) of the Public Health Service Act shall not exceed $88,576,000.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, $86,087,393,000, to remain available until expended.

For making, after May 31, 2000, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 2000 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States or in the case of section 1928 on behalf of States under title XIX of the Social Security Act for the first quarter of fiscal year 2001, $30,589,003,000, to remain available until expended.

Payment under title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g) and 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, section 278(d) of Public Law 97-248, and for administrative expenses incurred pursuant to section 201(g) of the Social Security Act, $69,289,100,000.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, XIX, and XXI of the Social Security Act, titles XIII and XXVII of the Public Health Service Act, and the Clinical Laboratory Improvement Amendments of 1988, not to exceed $1,994,548,000, to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 201(g) of the Social Security Act; together with all funds collected in accordance with section 353 of the Public Health Service Act and such sums as may be collected from authorized user fees and the sale of data, which shall remain available until expended, and together with administrative fees collected relative to Medicare overpayment recovery activities, which shall remain available until expended: Provided, That all funds derived in accordance with 31 U.S.C. 9701 from organizations established under title XIII of the Public Health Service Act shall be credited to and available for carrying out the purposes of this appropriation: Provided further, That $18,000,000 appropriated under this heading for the managed care system redesign shall remain available until expended: Provided further, That $2,000,000 of the amount available for research, demonstration, and evaluation activities shall be available to continue carrying out demonstration projects on Medicaid coverage of community-based attendant care services for people with disabilities which ensures maximum control by the consumer to select and manage their attendant care services: Provided further, That $3,000,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to an application from the University of Pennsylvania Medical Center, the University of Louisville Sciences Center, and St. Vincent's Hospital in Montana to conduct a demonstration to reduce hospitalizations among high-risk patients with congestive heart failure: Provided further, That $2,000,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the AIDS Healthcare Foundation in Los Angeles: Provided further, That $100,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to Littleton Regional Hospital in New Hampshire, to assist in the development of rural emergency medical services: Provided further, That $250,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the University of Missouri-Kansas City to test behavorial interventions of nursing home residents with moderate to severe dementia: Provided further, That $1,000,000 of the amount available for research, demonstration, and evaluation activities shall be awarded for a children's hospice care demonstration program in Virginia, Florida, Kentucky, New York, and Utah: Provided further, That $150,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to L.A. Care Health Plan in Los Angeles, California for a Medicaid outreach demonstration project to provide access to medical care for uninsured workers: Provided further, That $500,000 of the amount available for research, demonstration, and evaluation activities shall be awarded to the Baystate Medical Center in Springfield, Massachusetts for the Partners for a Healthier Community childhood immunization demonstration project: Provided further, That $250,000 shall be awarded to the Shelby County Regional Medical Center to establish a Master Patient Index to determine patient Medicaid/TennCare eligibility: Provided further, That the Secretary of Health and Human Services is directed to collect, in aggregate, $95,000,000 in fees in fiscal year 2000 from Medicare+Choice organizations pursuant to section 1857(e)(2) of the Social Security Act and from eligible organizations with risk-sharing contracts under section 1876 of that Act pursuant to section 1876(k)(4)(D) of that Act.

HEALTH MAINTENANCE ORGANIZATION LOAN AND LOAN GUARANTEE FUND

For carrying out subsections (d) and (e) of section 1308 of the Public Health Service Act, any amounts received by the Secretary in connection with loans and loan guarantees under title XIII of the Public Health Service Act, to be available without fiscal year limitation for the payment of outstanding obligations. During fiscal year 2000, no commitments for direct loans or loan guarantees shall be made.

ADMINISTRATION FOR CHILDREN AND FAMILIES

PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT AND FAMILY SUPPORT PROGRAMS

For making payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), for the first quarter of fiscal year 2001, $650,000,000.

For making payments to each State for carrying out the program of Aid to Families with Dependent Children under title IV-A of the Social Security Act before the effective date of the program of Temporary Assistance to Needy Families (TANF) with respect to such State, such sums as may be necessary: Provided, That the sum of the amounts available to a State with respect to expenditures under such title IV-A in fiscal year 1997 under this appropriation and under such title IV-A as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 shall not exceed the limitations under section 116(b) of such Act.

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9), for the last 3 months of the current year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

LOW INCOME HOME ENERGY ASSISTANCE

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, $1,100,000,000, to be available for obligation in the period October 1, 2000 through September 30, 2001.

For making payments under title XXVI of such Act, $300,000,000: Provided, That these funds are hereby designated by Congress to be emergency requirements pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That these funds shall be made available only after submission to Congress of a formal budget request by the President that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985.

The $1,100,000,000 provided in the first paragraph under this heading in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1999 (as contained in section 101(f) of division A of Public Law 105-277) is hereby designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided, That such funds shall be available only if the President submits to the Congress one official budget request for $1,100,000,000 that includes designation of the entire amount as an emergency requirement pursuant to such section: Provided further, That such funds shall be distributed in accordance with section 2604 of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 8623), other than subsection (e) of such section.

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), $419,005,000: Provided, That funds appropriated pursuant to section 414(a) of the Immigration and Nationality Act under Public Law 105-78 for fiscal year 1998 and under Public Law 105-277 for fiscal year 1999 shall be available for the costs of assistance provided and other activities through September 30, 2001.

For carrying out section 5 of the Torture Victims Relief Act of 1998 (Public Law 105-320), $7,500,000.

The $426,505,000 provided under this heading is hereby designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided, That such funds shall be available only if the President submits to the Congress one official budget request for $426,505,000 that includes designation of the entire amount as an emergency requirement pursuant to such section.

PAYMENTS TO STATES FOR THE CHILD CARE AND DEVELOPMENT BLOCK GRANT

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), to become available on October 1, 2000 and remain available through September 30, 2001, $1,182,672,000: Provided, That $19,120,000 shall be available for child care resource and referral and school-aged child care activities: Provided further, That of the funds provided for fiscal year 2001, $172,672,000 shall be reserved by the States for activities authorized under section 658G of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), such funds to be in addition to the amounts required to be reserved by the States under section 658G: Provided further, That of the funds provided for fiscal year 2000 under Public Law 105-277, $500,000 shall be for a toll-free child care services program hotline to be operated by Child Care Aware.

HCFA is urged to conduct a demonstration project addressing the extraordinary adverse health status of native Hawaiians at the Waimanalo health center exploring the use of preventive and indigenous health care expertise.

HCFA is urged to conduct a demonstration project in Hawaii and Alaska to address the extraordinary adverse health status and limited access to health services of the indigenous people in Hawaii and Alaska natives and others residing in southwest Alaska.

There is strong concern over HCFA's failure to articulate clear guidelines and set expeditious timetables for consideration of new technologies, procedures and products for Medicare coverage. Two particularly troubling examples are HCFA's lengthy delays and failure to articulate clear standards regarding Medicare coverage of positron emission tomography (PET) and lung volume reduction surgery (LVRS). The effect of these delays in instituting Medicare coverage is to deny the benefits of these technologies and products to Medicare patients. There is also concern that HCFA appears to be requiring new technologies to repeat clinical trials and testing already successfully completed by the new products in the process of gaining FDA approval or in NIH clinical trials and which serve as signals to private insurers to cover new technologies. The recent creation of a 120-person advisory committee to review new technologies is also of some concern and it is noted that the Appropriations Committees will be observing the new advisory committee to review its costs and to see whether its use further delays Medicare coverage of new products. Because of the possible duplication of efforts among HHS agencies and related unnecessary costs to the Medicare program and the Department, it is expected that the Secretary will take a leadership role in resolving this matter expeditiously.

The Secretary is strongly urged to appoint a three-person Medicare-Technology Consumer Advisory Committee. The Committee should be appointed from among knowledgeable patient advocates and members of the medical community with expert knowledge of new technologies and cost-benefit analysis. The new Committee should study the current HCFA process for determining new coverages and should report at least every six months to the Secretary, the Appropriations Committees, and the general public on its findings and recommendations. The Secretary is expected to report prior to fiscal year 2001 appropriations hearings about its recommendations on streamlining HCFA's approval process for Medicare coverage of new technologies.

If the Secretary of the Department of Health and Human Services, under existing demonstration authority, chooses to implement a program to improve health care access for uninsured workers, the Secretary should encourage applications from private, not-for-profit multi-state health systems in urban and rural areas. Such multi-state systems should be given special consideration if they are willing to provide private matching funds to create model public-private partnerships which enhance integrated systems of health care for the working poor.

Medicare contractors

The conference agreement provides $1,244,000,000 for Medicare contractors as proposed by the Senate instead of $1,176,950,000 as proposed by the House. The amount provided reflects HCFA's proposal to change its approach for processing managed care encounter data, which will result in estimated savings of $30,000,000.

State survey and certification

The conference agreement provides $204,674,000 for State survey and certification instead of $106,000,000 as proposed by the House and $204,347,000 as proposed by the Senate.

Federal administration

The conference agreement provides $485,000,000 for Federal administration instead of $421,126,000 as proposed by the House and $480,000,000 as proposed by the Senate.

The conference agreement concurs with House report language regarding its concern that the current performance evaluation and recertification process for Organ Procurement Organizations (OPO) may hinder the goal of increased organ donations. HCFA is urged to work with and support the industry in its effort to develop alternative performance measures. HCFA is also urged to use existing authority to extend the OPO certification period until such time as an alternative process has been adopted.

Hospices in Wichita, Kansas will be adversely affected in their Medicare reimbursement in fiscal year 2000 because of an error in a faulty hospital cost report in 1995, over which they had no control, and because of a faulty tabulation by HCFA or its fiscal intermediary. HCFA is expected to correct the error in the publication of the hospice wage index for the Wichita, Kansas MSA by using the July 30, 1999 hospital wage index, published in the Federal Register, for the current fiscal year, rather than delaying until the following fiscal year, and by publishing a revised notice to reflect this correction.

In 1998, HCFA was urged to commit appropriate resources to ensure the provision of ongoing training, technical assistance, and quality assurance support to regional and State personnel who are responsible for implementation and review of Intermediate Care Facilities for the Mentally Retarded (ICF/MR) and waiver programs. Seeing no progress to date on this issue, and recognizing the growing concerns about abuse and neglect and the use of restraints in such settings, HCFA is strongly urged to ensure that staff be devoted solely to ensuring quality in ICFs/MR and home and community-based waivers. It is hoped that HCFA would also allow for the speedy revision of the ICF/MR regulations to reflect widely recognized advancements in the field and to encourage more flexibility, consumer involvement and direction, and community integration in meeting individual's needs. The Department is requested to report within 120 days on how these staffing requirements will be accommodated.

ADMINISTRATION FOR CHILDREN AND FAMILIES

PAYMENTS TO STATES FOR CHILD SUPPORT ENFORCEMENT AND FAMILY SUPPORT PROGRAMS

The conference agreement provides no extended availability of funds proposed by the Senate. The House bill proposed no extended availability.

LOW INCOME HOME ENERGY ASSISTANCE

The conference agreement includes language proposed by the House designating that the $1,100,000,000 appropriated for LIHEAP for FY 2000 in the FY 1999 appropriations act is an emergency under the Budget Act and requiring that such funds be allocated in accordance with the statutory formula. The Senate bill contained no such language. The agreement also includes the House legal citation to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act.

REFUGEE AND ENTRANT ASSISTANCE

The conference agreement appropriates $426,505,000, instead of $423,500,000 as proposed by the House and $430,500,000 as proposed by the Senate. The agreement provides for an annual appropriation as proposed by the House instead of three-year availability of funds proposed by the Senate. In the case of the Torture Victims Relief Act funds, the agreement provides for an annual appropriation as proposed by the House instead of the funds remaining available until expended proposed by the Senate.

In addition, the conference agreement includes language not contained in either bill that designates all funding in this account as an emergency requirement under the Budget Act.

The conference agreement includes $20,000,000 from carryover funds that are to be used under social services to increase educational support to schools with a significant proportion of refugee children and for the development of alternative cash assistance programs that involve case management approaches to improve resettlement outcomes. Such support should include intensive English language training and cultural assimilation programs.

The agreement also includes $26,000,000 for increased support to communities with large concentrations of refugees whose cultural differences make assimilation especially difficult justifying a more intense level and longer duration of Federal assistance.

CHILD CARE AND DEVELOPMENT BLOCK GRANT

The conference agreement appropriates $1,182,672,000 as an advance appropriation for fiscal year 2001, instead of $2,000,000,000 as proposed by the Senate. The agreement further provides that $19,120,000 shall be for child care resource and referral and school-aged child care activities as proposed by the Senate. The House bill had no appropriation for this account.

The conference agreement includes language to require the States to use $172,672,000 above the amount required by the basic law for activities that improve the quality of child care for fiscal year 2001. The basic law requires that not more than four percent of the approporation be used for such activites. Neither the House nor the Senate bill included such language.

The conference agreement includes $500,000 for a toll-free child care services program hotline to be operated by Child Care Aware.

States are encouraged to create or enhance systems of care that support and educate families expecting a baby or with young children, and help them understand that day-to-day interaction with children helps them develop cognitively, socially, physically and emotionally. Many states have already created state and local collaboratives that coordinate early childhood development, and these efforts are to be commended.

In the case of states that have yet to initiate such coordination, they are encouraged to look at best practices from across the country. The National Governors Association has developed goals, model indicators, and measures of performance to help states focus on improving the conditions of young children and their families. The State of Ohio has a successful initiative known as Family and Children First that could serve as a model. All states are encouraged to continue to develop and expand healthy early childhood systems of care.

SOCIAL SERVICES BLOCK GRANT

The conference agreement includes $1,775,000,000, instead of $1,909,000,000 as proposed by the House and $1,050,000,000 as proposed by the Senate. The agreement does not include the provision in the House or Senate bills that limits the ability of States to transfer TANF funds to the Social Services Block Grant to 4.25 percent or 5 percent, respectively.

The conference agreement does not include section 216 of the Senate bill which increased the appropriation to $2,380,000,000 but specified that $1,330,000,000 of that amount would not become available for obligation until fiscal year 2001 and that the amount available for allocation to States in fiscal year 2001 would be $3,030,000,000. The House had no similar provision.

CHILDREN AND FAMILIES SERVICES PROGRAMS (INCLUDING RESCISSIONS)

The conference agreement appropriates $6,835,133,000, instead of $6,240,216,000 as proposed by the House and $6,789,635,000 as proposed by the Senate. In addition, the agreement rescinds $21,000,000 from permanent appropriations as proposed by the House.

The agreement includes an advance appropriation of $1,400,000,000 for Head Start for fiscal year 2001 as proposed by the House instead of $1,900,000,000 proposed by the Senate. The agreement also includes $1,700,000,000 designated as an emergency.

An amount of $10,000,000 is included under social services and income maintenance research for establishing Individual Development Accounts. The House proposed to fund this as a separate line item.

The Hull House Association's Neighbor to Neighbor (NTN) program in Chicago and Florida provides specialized placement and family services for sibling groups, keeping such children together, placed within their community, and stabilized in one foster home. Outcomes for this program have been noteworthy, including high rates of family reunification, placement stability and foster parent retention. The conference agreement includes $500,000 to support the Association's project to provide training, technical assistance and implementation assistance to establishment of NTN programs within public and private foster care agencies in other states and localities.

The conference agreement includes language not contained in either House or Senate bills that requires the Department to establish certain procedures regarding the disposition of intangible property in the community economic development program under the Community Services Block Grant Act.

There is awareness of efforts by the state information technology consortium to identify best practices with regard to implementing Temporary Assistance to Needy Families, including best practices developed by states, the federal government, and the private sector. The next phase of this effort will enable states to discern which best practices are appropriate for their particular needs, then work with the consortium to implement those practices. Continuation of this effort at the current level of support is urged.

It is important that the Congress determine the economic status of former recipients of Temporary Assistance to Needy Families, and the conference agreement provides funds to support such research and evaluation.

Head Start grantees may use their basic grant funds, quality funds, and expansion funds for minor renovations and rehabilitation of existing Head Start facilities. The Secretary is urged to give special attention to Native American communities with particular needs, including the Alaskan communities of Chevak, Napakiak, Haines, Marshall, Noorvik, Selawik, Pilot Station, Hooper Bay, and Dillingham.

Within the funds provided for Runaway Youth—Transitional Living, the conference agreement includes $500,000 for the House of Mercy in Des Moines, Iowa; $250,000 for the Briarpatch Transitional Living Facility of Madison, Wisconsin to provide housing and support services to homeless teens; $150,000 for the Larkin Street Youth center in San Francisco, California to provide interim housing and comprehensive support services; $150,000 for the Casa Libertad Transitional Living Program for homeless youths in Santa Fe, New Mexico; and $250,000 for the New Avenues for Youth demographic database project in Oregon to improve services delivery to homeless youths.

Within the funds provided for child abuse prevention programs, the conference agreement includes $1,000,000 for a one-stop shopping demonstration for Catholic Social Services in Juneau, Alaska; $2,000,000 for the Healthy Beginnings Program in Alaska; $500,000 for Children's Advocacy Services Center of Greater St. Louis; $50,000 for the Taos Community Against Violence for ongoing services for children and victims of domestic violence; $600,000 for the Start Right program in Marathon County, Wisconsin; and $1,000,000 for the University of Louisville, Center for Research in Early Childhood Development.

Within the funds provided for Native American programs, the conference agreement includes $700,000 for the Cook Inlet Tribal Council, Inc. and $300,000 for Kawerak, Inc.

The conference agreement includes $2,000,000 for the Public Children Services Association of Ohio to build a multi-State grassroots network that results in a State infrastructure of local child protection agencies.

The conference agreement includes $400,000 for the National Adoption Center to develop a national adoption photo listing service on the Internet.

Within the funds provided for developmental disabilities, projects of national significance, the conference agreement includes $1,000,000 for the Sertoma Center in Knoxville, Tennessee to work in conjunction with other entities to develop a training regime for providers of services for the developmentally disabled.

PROMOTING SAFE AND STABLE FAMILIES

The conference agreement changes the name of this appropriation account to "Promoting Safe and Stable Families" as proposed by the Senate instead of "Family Preservation and Support" proposed by the House.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

The conference agreement appropriates $4,307,300,000 as proposed by the House instead of $4,312,300,000 as proposed by the Senate.

ADMINISTRATION ON AGING

AGING SERVICES PROGRAMS

The conference agreement appropriates $934,285,000, instead of $881,976,000 as proposed by the House and $942,355,000 as proposed by the Senate. The agreement includes a legal citation as proposed by the Senate with respect to the Alzheimer's initiative.

The conference agreement includes the following amounts under aging research and training:

—$3,000,000 for social research into Alzheimer's disease care options, best practices and other Alzheimer's research priorities as specified in the House Report

—$10,000,000 for the "Senior Waste Patrol" pilot project to determine the most effective means of eliminating Medicare fraud, waste and abuse

—$2,000,000 for the Texas Tech University Center for Healthy Aging

—$500,000 for the West Virginia University Rural Aging Project

—$850,000 for Elder Services, Inc. in Middlebury, Vermont

—$2,200,000 for the Anchorage, Alaska Senior Center

—$450,000 for the Deaconess Billings Clinic Northwest Area Center for Aging in Montana

—$1,000,000 for Family Friends

—$100,000 for the Nevada Rural Counties Retired and Senior Volunteer Home Companion Program to provide services to homebound elderly in rural areas

$600,000 to establish the National Senior Housing Center in Maryland

$500,000 for the Community Programs Center of Long Island, Port Jefferson facility to provide intergenerational day care services

$120,000 for Marathon County, Wisconsin to provide respite care services

$40,000 for Norwalk, California to provide adult day-care services for individuals with Alzheimer's Disease

$1,000,000 for the Oregon Health Sciences University's demonstration project in Healthy Aging aimed at providing preventive counseling and improved coordination and access to primary care services

$500,000 for the Santa Clara Pueblo Elder Care Center

$50,000 for the San Luis Obispo Medical Society for the Volunteers in Health Care program for seniors

$350,000 for Christmas in April for housing services for low-income seniors

$700,000 for the National Resource Centers on Native American Aging at the University of North Dakota and the University of Colorado

Within the funds provided for state and local innovations/projects of national significance, the conference agreement intends that funds be used for ongoing projects scheduled for refunding in FY 2000.

Nearly one in four American households is currently involved in family caregiving to elderly relatives or friends. The Administration on Aging should give full and fair consideration to a demonstration and evaluation of the Metropolitan Family Services' community-based program that builds on the strengths of families to provide cost-effective and high quality care.

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

The conference agreement appropriates $232,902,000, instead of $227,787,000 as proposed by the House and $189,420,000 as proposed by the Senate. To the extent that any staffing reductions are required to implement the conference agreement the Secretary should make the reductions in such overhead areas as the immediate office of the Secretary, public affairs, Congressional affairs, and intergovernmental affairs.

The agreement includes $1,500,000 for the United States-Mexico Border Health Commission. The conference agreement concurs with the Senate Report language concerning the human services transportation technical assistance program. It also concurs with the Senate Report language concerning the amount available for a public education campaign on osteoporosis in the Office on Women's Health.

The conference agreement includes $9,700,000 within the Office of Minority Health to fund activities that are designed to address the trend of the HIV/AIDS epidemic in communities of color based on rates of new infections and mortality from AIDS. These funds are to be allocated based on program priorities identified in the previous fiscal year, which include support for the Minority Community Coalition Demonstration Grants program, including the Bilingual/Bicultural Demonstrations Grants Program targeted to fund HIV/AIDS prevention activities by minority organizations. Funds are also provided to target national, regional and local minority organizations with a history of service and development to communities of color to provide technical assistance and to expand the National Minority Organization/Cooperative Agreement Program. Funds have been provided to expand

and strengthen contracts with HBCUs and HSIs to provide funding to minority behavioral scientists to enhance the implementation of research-based prevention activities for disease prevention, health promotion and HIV/AIDS in conjunction with community organizations targeting minority populations.

The conference agreement includes language proposed by the House that earmarks $450,000 for a contract with the National Academy of Sciences to conduct a study of OSHA's proposed rule relating to occupational exposure to tuberculosis. The study should address the following questions:

1. Are health care workers at a greater risk of infection, disease, and mortality due to tuberculosis than the general community within which they reside? If so, what is the excess risk due to occupational exposure?

2. Can the occupationally acquired risk be quantified for different work environments, different job classifications, etc., as a result of implementation of the 1994 Centers for Disease Control and Prevention (CDC) guidelines for the prevention of tuberculosis transmission at the worksite or the implementation of specific parts of the CDC guidelines?

3. What effect will the implementation of OSHA's proposed tuberculosis standard have in minimizing or eliminating the risk of infection, disease, and mortality due to tuberculosis?

The agreement includes language as proposed by the Senate setting aside $10,569,000 under the adolescent family life program for activities specified under §2003(b)(2) of the Public Health Service Act, of which $9,131,000 shall be for prevention grants under §510(b)(2) of the Social Security Act, without application of the limitation of §2010(c) of the Public Health Service Act. The House bill had no similar provision.

With respect to the advance appropriation of $20,000,000 for title XX of the Public Health Service Act, it is intended that these funds be used for grants to organizations that clearly and consistently focus on abstinence for preventing STD's and unwanted pregnancy. [Abstinence shall have the same meaning as in Public Law 104-193, title IX, section 912.] Grants to these organizations should focus on training persons as abstinence instructors and on providing actual presentations to youth at vulnerable ages (grades 7 through 12). The Department shall hold competition for these grants during the regular grant cycle in fiscal year 2000 and issue these grants at the beginning of fiscal year 2001.

The conference agreement concurs with the language in the House Report relating to an Institute of Medicine study on ethnic bias in medicine.

Sufficient funds are available to continue the inner city childhood asthma project at the Children's Hospital of Philadelphia.

It is understood that the screening of blood and blood products could be improved through the use of nucleic acid testing (NAT) to better detect known infectious diseases such as Human Immunodeficiency Virus (HIV-1) and Hepatitis C virus (HCV). The National Heart, Lung and Blood Institute in the National Institutes of Health has contracted with private companies to develop fully automated NAT tests for HIV-1 and HCV. In view of NIH's financial commitment to NAT and the approval of NAT in other countries, the Public Health Service Blood Safety Committee, chaired by the Surgeon General/Assistant Secretary for Health, is urged to encourage the adoption of these screening tools for individual donor testing of blood and plasma.

The conference agreement includes language proposed by the Senate modified to earmark $500,000 to be utilized by the Surgeon General to prepare and disseminate the findings of the Surgeon General's report on youth violence and to coordinate with other agencies activities to prevent youth violence. The House bill had no similar provision.

The conference agreement also includes the following amounts for the following projects:

—$100,000 for Tomorrow's Child, a program to support and educate first time pregnant adolescents, their families and communities

—$2,000,000 for the Lawton Chiles Foundation of Florida

—$1,000,000 for the Albert Einstein Medical Center LIFE elderly care model

—$500,000 for the Thomas Jefferson University Hospital alternative medicine program

—$500,000 for the Thomas Jefferson University Hospital sickle cell program

—$1,250,000 for the CORE Center at Cook County Hospital in Chicago to develop a model HIV/AIDS Education and Training Center.

OFFICE OF INSPECTOR GENERAL

The conference agreement appropriates $31,500,000, instead of $29,000,000 as proposed by the House and $35,000,000 as proposed by the Senate. The agreement does not include language proposed by the House to limit the amount of funds available to the Inspector General in FY 2000 under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) to no more than $100,000,000, the same amount as in FY 1999. The Senate bill had no similar provision.

Sufficient funds are available to initiate activities in Pittsburgh, PA as mentioned in the Senate Report.

OFFICE FOR CIVIL RIGHTS

The conference agreement appropriates $22,152,000, instead of $20,652,000 as proposed by the House and $22,159,000 as proposed by the Senate.

POLICY RESEARCH

The conference agreement appropriates $17,000,000, instead of $15,000,000 as proposed by the Senate and $14,000,000 as proposed by the House. The agreement includes $850,000 for the East St. Louis Center operated by Southern Illinois University to analyze problems faced by health service providers in administering multiple sources of funding.

The conference agreement includes $7,150,000 to continue the study of the outcomes of welfare reform. It is recommended that this effort includes the collection and use of state-specific surveys and state and federal administrative data. The study should focus on improving the capabilities and comparability of data collection efforts and developing and reporting reliable State-by-State measures of family hardship and well-being and of the utilization of other support programs. The study should measure outcomes for a broad population of low-income families, welfare recipients, former recipients, potential recipients, and other special populations affected by state TANF policies, including diversion practices. The conference agreement includes sufficient funds to continue supporting efforts at Iowa State University to develop state-level data on low-income families that can be integrated with national data collection efforts. A report is to be submitted to the Appropriations Committees within nine months.

PUBLIC HEALTH AND SOCIAL SERVICES EMERGENCY FUND

The conference agreement provides $583,600,000 for the Public Health and Social Services Emergency Fund instead of $391,833,000 as proposed by the House and $475,000,000 as proposed by the Senate. The conference agreement also includes a provision that these funds shall be made available only upon submission of a budget request designating the entire amount as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985 as proposed by the House. The Senate bill did not propose this account as an emergency.

The amount provided includes $229,000,000 for the Centers for Disease Control and Prevention. Included in this amount is $155,000,000 for the following bioterrorism activities:

—$1,000,000 to enhance technical capabilities to identify certain biological agents;

—$1,000,000 for the Noble Army Hospital of Alabama bioterrorism program;

—$2,000,000 to assist States in developing emergency preparedness plans;

—$2,000,000 for public health training centers;

—$2,000,000 to discover, develop, and transition anti-infective agents to combat emerging diseases;

—$2,000,000 to expand epidemiological intelligence service;

—$4,000,000 for conducting independent studies of health and bioterrorism threats, of which $1,000,000 is for the Carnegie Mellon Research Institute, $1,000,000 is for the St. Louis University School of Public Health, $1,000,000 is for the University of Texas Medical Branch at Galveston; and $1,000,000 is for the Johns Hopkins University Center for Civilian Biodefense;

—$5,000,000 to develop rapid toxic screening;

—$7,000,000 to strengthen State and local epidemiological and surveillance capacity;

—$8,400,000 to better identify potential biological and chemical terrorism agents;

—$9,000,000 to develop new sources and methods for surveillance;

—$9,600,000 for regional laboratories for measuring biological and chemical agents;

—$20,000,000 for infectious diseases emergency preparedness and response, including the National Electronic Disease Surveillance System;

—$30,000,000 for a national health alert network; and

—$52,000,000 for a pharmaceutical and vaccine stockpile.

The remaining $74,000,000 is provided for the following activities: $5,000,000 for the environmental health laboratory; and $69,000,000 for a global health initiative, of which $5,000,000 is for micronutrient malnutrition programs; $9,000,000 is for malaria programs; $20,000,000 is for polio eradication activities; and $35,000,000 is for international HIV/AIDS programs.

The amount provided also includes: $30,000,000 for the Office of the Secretary, $24,600,000 for the Office of Emergency Preparedness, and $5,000,000 for the Agency for Health Care Policy and Research for bioterrorism activities; $20,000,000 for NIH Challenge Grants; $50,000,000, within the Office of the Secretary, for HIV/AIDS activities that strengthen the medical treatment and HIV prevention capacity within communities of color disproportionately impacted by the HIV/AIDs epidemic, based on rates of new HIV infection and mortality from AIDS. These funds are available to entities that target a specific minority group or multiethnic minority populations that are heavily impacted by HIV/AIDS, and are to compliment existing and planned HIV/AIDS activities in communities of color; $75,000,000 for Ricky Ray Hemophilia Relief Fund Act within the Health Resources and Services Administration, of which $10,000,000 is for program administration; and $150,000,000 for Y2K activities at the Health Care Financing Administration.

Within the increase provided to NIH, sufficient funds are available for global health

H.R.5835

Omnibus Budget Reconciliation Act of 1990 (Enrolled Bill (Sent to President))

`SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

`A State that receives financial assistance under this subchapter shall use not less than 20 percent of the amounts reserved by such State under section 658E(c)(3)(C) for each fiscal year for one or more of the following:

`(1) RESOURCE AND REFERRAL PROGRAMS- Operating directly or providing financial assistance to private nonprofit organizations or public organizations (including units of general purpose local government) for the development, establishment, expansion, operation, and coordination of resource and referral programs specifically related to child care.

`(2) GRANTS OR LOANS TO ASSIST IN MEETING STATE AND LOCAL STANDARDS- Making grants or providing loans to child care providers to assist such providers in meeting applicable State and local child care standards.

`(3) MONITORING OF COMPLIANCE WITH LICENSING AND REGULATORY REQUIREMENTS- Improving the monitoring of compliance with, and enforcement of, State and local licensing and regulatory requirements (including registration requirements).

`(4) TRAINING- Providing training and technical assistance in areas appropriate to the provision of child care services, such as training in health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and the care of children with special needs.

`(5) COMPENSATION- Improving salaries and other compensation paid to full- and part-time staff who provide child care services for which assistance is provided under this subchapter.

`SEC. 658H. EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL SERVICES.

`(a) IN GENERAL- A State that receives financial assistance under this subchapter shall use not less than 75 percent of the amounts reserved by such State under section 658E(c)(3)(C) for each fiscal year to establish or expand and conduct, through the provision of grants or contracts, early childhood development or before- and after-school child care programs, or both.

`(b) PROGRAM DESCRIPTION- Programs that receive assistance under this section shall--

`(1) in the case of early childhood development programs, consist of services that are not

Agency shall assure that, before any further CCDF assistance is given to the provider,

(1) The grant or contract relating to the assistance, or

(2) The employment policies of the provider specifically provide that no person with responsibilities in the operation of the child care program will discriminate, on the basis of religion, in the employment of any individual as a caregiver, as defined in § 98.2.

Subpart F—Use of Child Care and Development Funds

§ 98.50 Child care services.

(a) Of the funds remaining after applying the provisions of paragraphs (c), (d) and (e) of this section the Lead Agency shall spend a substantial portion to provide child care services to low-income working families.

(b) Child care services shall be provided:

(1) To eligible children, as described in § 98.20;

(2) Using a sliding fee scale, as described in § 98.42;

(3) Using funding methods provided for in § 98.30; and

(4) Based on the priorities in § 98.44.

(c) Of the aggregate amount of funds expended (i.e., Discretionary, Mandatory, and Federal and State share of Matching Funds), no less than four percent shall be used for activities to improve the quality of child care as described at § 98.51.

(d) Of the aggregate amount of funds expended (i.e., Discretionary, Mandatory, and Federal and State share of Matching Funds), no more than five percent may be used for administrative activities as described at § 98.52.

(e) Not less than 70 percent of the Mandatory and Matching Funds shall be used to meet the child care needs of families who:

(1) Are receiving assistance under a State program under Part A of title IV of the Social Security Act,

(2) Are attempting through work activities to transition off such assistance program, and

(3) Are at risk of becoming dependent on such assistance program.

(f) Pursuant to § 98.16(g)(4), the Plan shall specify how the State will meet the child care needs of families described in paragraph (e) of this section.

§ 98.51 Activities to improve the quality of child care.

(a) No less than four percent of the aggregate funds expended by the Lead Agency for a fiscal year, and including the amounts expended in the State pursuant to § 98.53(b), shall be expended for quality activities.

(1) These activities may include but are not limited to:

(i) Activities designed to provide comprehensive consumer education to parents and the public;

(ii) Activities that increase parental choice; and

(iii) Activities designed to improve the quality and availability of child care, including, but not limited to those described in paragraph (2) of this section.

(2) Activities to improve the quality of child care services may include, but are not limited to:

(i) Operating directly or providing financial assistance to organizations (including private non-profit organizations, public organizations, and units of general purpose local government) for the development, establishment, expansion, operation, and coordination of resource and referral programs specifically related to child care;

(ii) Making grants or providing loans to child care providers to assist such providers in meeting applicable State, local, and tribal child care standards, including applicable health and safety requirements, pursuant to §§ 98.40 and 98.41;

(iii) Improving the monitoring of compliance with, and enforcement of, applicable State, local, and tribal requirements pursuant to §§ 98.40 and 98.41;

(iv) Providing training and technical assistance in areas appropriate to the provision of child care services, such as training in health and safety, nutrition, first aid, the recognition of communicable diseases, child abuse detection and prevention, and care of children with special needs;

(v) Improving salaries and other compensation (such as fringe benefits) for full-and part-time staff who provide child care services for which assistance is provided under this part; and

(vi) Any other activities that are consistent with the intent of this section.

(b) Pursuant to § 98.16(h), the Lead Agency shall describe in its Plan the activities it will fund under this section.

(c) Non-Federal expenditures required by § 98.53(c) (i.e., the maintenance-of-effort amount) are not subject to the requirement at paragraph (a) of this section.

§ 98.52 Administrative costs.

(a) Not more than five percent of the aggregate funds expended by the Lead Agency from each fiscal year's allotment, including the amounts expended in the State pursuant to § 98.53(b), shall be expended for administrative activities. These activities may include but are not limited to:

(1) Salaries and related costs of the staff of the Lead Agency or other agencies engaged in the administration and implementation of the program pursuant to § 98.11. Program administration and implementation include the following types of activities:

(i) Planning, developing, and designing the Child Care and Development Fund program;

(ii) Providing local officials and the public with information about the program, including the conduct of public hearings;

(iii) Preparing the application and Plan;

(iv) Developing agreements with administering agencies in order to carry out program activities;

(v) Monitoring program activities for compliance with program requirements;

(vi) Preparing reports and other documents related to the program for submission to the Secretary;

(vii) Maintaining substantiated complaint files in accordance with the requirements of § 98.32;

(viii) Coordinating the provision of Child Care and Development Fund services with other Federal, State, and local child care, early childhood development programs, and before-and after-school care programs;

(ix) Coordinating the resolution of audit and monitoring findings;

(x) Evaluating program results; and

(xi) Managing or supervising persons with responsibilities described in paragraphs (a)(1)(i) through (x) of this section;

(2) Travel costs incurred for official business in carrying out the program;

(3) Administrative services, including such services as accounting services, performed by grantees or subgrantees or under agreements with third parties;

(4) Audit services as required at § 98.65;

(5) Other costs for goods and services required for the administration of the program, including rental or purchase of equipment, utilities, and office supplies; and

(6) Indirect costs as determined by an indirect cost agreement or cost allocation plan pursuant to § 98.55.

(b) The five percent limitation at paragraph (a) of this section applies only to the States and Territories. The amount of the limitation at paragraph (a) of this section does not apply to Tribes or tribal organizations.

(c) Non-Federal expenditures required by § 98.53(c) (i.e., the maintenance-of-effort amount) are not subject to the five percent limitation at paragraph (a) of this section.

104TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT 104–725

PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

CONFERENCE REPORT

TO ACCOMPANY

H.R. 3734

JULY 30, 1996.—Ordered to be printed

fied in paragraphs (2) through (5) of section 658A(b)"; and

(IV) by striking clause (ii);

(iii) by amending subparagraph (C) to read as follows:

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term 'administrative costs' shall not include the costs of providing direct services."; and

(iv) by adding at the end thereof the following:

"(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 418(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities under this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(H)."; and

(C) in paragraph (4)(A)—

(i) by striking "provide assurances" and inserting "certify";

(ii) in the first sentence by inserting "and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access" before the period; and

(iii) by striking the last sentence.

SEC. 606. LIMITATION ON STATE ALLOTMENTS.

Section 658F(b)(1) (42 U.S.C. 9858d(b)(1)) is amended by striking "No" and inserting "Except as provided for in section 658O(c)(6), no".

SEC. 607. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G (42 U.S.C. 9858e) is amended to read as follows:

"SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

"A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 4 percent of the amount of such funds for activities that are designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).".

SEC. 608. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.

Section 658H (42 U.S.C. 9858f) is repealed.

SEC. 609. ADMINISTRATION AND ENFORCEMENT.

Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

(1) in paragraph (1), by striking ", and shall have" and all that follows through "(2)"; and

EARLY LEARNING AND CHILD CARE QUALITY

It is critical that the President's child care initiative retain a strong commitment to promoting school readiness and cognitive development by improving the quality of care. Research bears this out:

- Three multi-site studies conducted between 1988 and 1994, including the highly regarded *Cost, Quality and Child Outcomes in Child Care Centers*, found that only 12 to 14 percent of children in care are in arrangements that promote their growth and learning, while 12 to 21 percent are in settings that are unsafe and actually impair their development. For infants and toddlers, the percentage of poor/unsafe settings is much higher -- 40 percent (*Florida Child Care Quality Improvement Study: Interim Report*, Howes, Smith, Galinsky, Families and Work Institute, 1995).

- Children in higher quality settings develop receptive language more rapidly, have superior math skills, engage in more complex play with both objects and other children and exhibit fewer behavior problems (both at the time and upon entering school). Studies have found that the impacts on social skills and academic performance persist into elementary school (*Are They in Any Real Danger* , Love *et. al.*, Mathematica Policy Research, 1996)

- As noted in the CEA paper on early learning: "children who receive care in quality centers tend to be less distracted and more task-oriented, considerate, happy and socially competent in elementary school. They are more self-confident, proficient in language, advanced in cognitive development and make better academic progress. Conversely, children in poor quality programs risk the development of poor school skills and heightened aggression."

The following three options focus on improving the quality of the vast majority of existing care for children aged 0-5, and ensuring that these opportunities help us to meet the first goal of Goals 2000 – school readiness.

OPTION ONE: Re-propose the Early Learning Fund, included in FY 99 and FY 00 at a $3 billion over five year in mandatory funds to improve child care quality and promote school-readiness. Modeled on the successful North Carolina Smart Start initiative, the proposed Early Learning Fund provides challenge grants to communities (distributed by states) to support programs to improve early learning and the quality of child care for children ages 0 to 5. To receive funds, HHS must approve a state's early learning program plan that specifies a lead agency, outlines community grant procedures, describes community participation in planning and monitoring, specifies activities to be carried out, and outlines performance goals and measures. Allowable activities include parenting education, resource and referral services, the development of family child care networks, provider training, efforts to improve staffing ratios, licensing and accreditation assistance, health services, added care for children with special needs. Each state would be required to submit an annual report documenting the use of the funds and progress toward achieving performance goals.

OPTION TWO: Propose a More Targeted Version of the Early Learning Fund, at or above $3 billion over five years in mandatory dollars. Target the allowable uses of the Early Learning Fund to measurable activities that promote the cognitive development and school readiness of children aged 0-5 in child care. These activities would include: improving provider training, recruitment and retention, reducing teacher to student ratios, promoting accreditation, increasing reimbursement rates for accredited programs, increasing networks for family child care providers, and promoting adherence to professional quality standards. Goals in some or all of these categories would be required for the state's early learning program plan, and the state's annual report would document progress toward those goals (e.g., number of programs with ratios below a specified level, number of children in accredited programs, number of providers receiving AAs or BAs or ECE through the program). States failing to make progress toward the goals would have to submit a corrective action plan or lose funding.

OPTION THREE: Create a New Set-Aside Within the Discretionary Title of CCDBG to Promote Congnitive Development of children aged 0-5 in child care. In FY 2000, the $1.182 billion discretionary title of CCDBG includes 3 discretionary pots of funds: (1) a 4 percent set-aside for quality activities; (2) $50 million for infant and toddler child care quality improvement activities; and (3) $173 million for general child care quality activities. By folding the second and third funding streams into one program to improve child care quality for children aged 0-5, and adding $277 million, we could create a $500 million school readiness fund. Similar to our proposed Early Learning Fund, this fund would support child care quality improvements designed to promote the cognitive development (i.e. improve the language, reading and math skills) of children in care. Parameters of the $500 million fund would mirror the above-described options, including:

- The funds would be distributed according to the CCDBG formula, but in order to receive its share of the funds, HHS would have to approve a State's "school readiness plan" describing how the State would use the dollars to enhance the cognitive development of children in care and establishing performance goals and measures.
- The funds would be used to improve provider training, recruitment and retention, reduce teacher to student ratios, promote accreditation, increase reimbursement rates for accredited programs, promote adherence to professional quality standards, etc.
- Each year, the state would be required to report on how funds were used and on progress toward goals established in the plan (e.g., number of programs with ratios below a specified level, number of children in accredited programs, number of providers receiving AAs or BAs or ECE through the program). States failing to make progress toward the goals would have to submit a corrective action plan or lose funding.

The Administration could seek minimal appropriations language for this, e.g.:
"...Provided further, That of the funds provided for fiscal year 2001, ~~$172,672,000~~ $500,000,000 shall be reserved by the States for activities to support the cognitive development of children aged 0-5 authorized under section 658G of the Omnibus Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990) and approved by the Secretary of

Health and Human Services, such funds to be in addition to the amounts required to be reserved by the States under section 658G . . ."

NOTE: Child care advocates and congressional democratic staff working on child care have urged that we maintain our child care quality proposal on the mandatory side.

Early Child Educator Professional Development in the ESEA: The Department of Education and others are very concerned that preschool needs to have a tangible education focus. To that end, we need a pipeline of caregivers well trained in teaching small children – caregivers, for example, knowledgeable in how reading is learned and able to spot developmental disabilities. Standards alone do not appear to be enough. Currently, this proposal is funded at $50 million in the ESEA and in our budget request. We might consider enhancing that amount to complement one of the items described above. A substantial increment in funding to this component – on the order of $200 million – would highlight its importance and help it to achieve its goals.

FY01 Child Care Quality Proposal
(Option One)

	FY00		FY01 Enacted		FY01 Proposed	
CCDBG enacted	$	1,183	$	1,183	$	1,183
Proposed CCDBG increase	$	-	$	-	$	1,317
Total CCDBG	$	1,183	$	1,183	$	2,500
4% quality set-aside	$	47	$	47	$	99
Infant set-aside	$	50	$	-	$	-
Additional quality set-aside	$	173	$	173	$	500
Total discretionary quality funds	$	269	$	220	$	599
As percentage of discretionary funds		23%		19%		24%
Total discretionary subsidy funds	$	884	$	944	$	1,871
As percentage of discretionary funds		75%		80%		75%
Total quality funds (discretionary and mandatory)	$	361	$	319	$	698
As percentage of total funds		10%		9%		14%
Portion of discretionary increase over prior year devoted to quality	$	180		NA	$	330
As percentage of increase		98%		NA		25%
Total subsidy funds (discretionary and mandatory)	$	3,159	$	3,411	$	4,339
As percentage of total funds		89%		91%		86%

FY01 Child Care Quality Proposal
(Option Three)

	FY00	FY01 Enacted	FY01 Proposed
CCDBG enacted	$ 1,183	$ 1,183	$ 1,183
Proposed CCDBG increase	$ -	$ -	$ 1,317
Total CCDBG	$ 1,183	$ 1,183	$ 2,500
4% quality set-aside	$ 47	$ 47	$ 99
Infant set-aside	$ 50	$ -	$ -
Additional quality set-aside	$ 173	$ 173	$ 500
Total discretionary quality funds	$ 269	$ 220	$ 599
As percentage of discretionary funds	23%	19%	24%
Total discretionary subsidy funds	$ 884	$ 944	$ 1,871
As percentage of discretionary funds	75%	80%	75%
Total quality funds (discretionary and mandatory)	$ 361	$ 319	$ 698
As percentage of total funds	10%	9%	14%
Portion of discretionary increase over prior year devoted to quality	$ 180	NA	$ 330
As percentage of increase	98%	NA	25%
Total subsidy funds (discretionary and mandatory)	$ 3,159	$ 3,411	$ 4,339
As percentage of total funds	89%	91%	86%

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96–422), $415,000,000: Provided, That funds appropriated pursuant to section 414(a) of the Immigration and Nationality Act under Public Law 104–208 for fiscal year 1997 shall be available for the costs of assistance provided and other activities conducted in such year and in fiscal years 1998 and 1999.

CHILD CARE AND DEVELOPMENT BLOCK GRANT

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), to become available on October 1, 1999 and remain available through September 30, 2000, $1,182,672,000: Provided, That $19,120,000 shall be available for child care resource and referral and school-aged child care activities: Provided further, That of the funds provided for fiscal year 1999 under Public Law 105–78, $50,000,000 shall be reserved by the States for activities authorized under section 658G of the Omnibus Budget Reconciliation Act of 1981 (the Child Care and Development Block Grant Act of 1990), such funds to be in addition to the amounts required to be reserved by States under such section 658G: Provided further, That of the funds provided for fiscal year 2000 $222,672,000 shall be reserved by the States for activities authorized under section 658G of the Omnibus Budget Reconciliation Act of 1981 (The Child Care and Development Block Grant Act of 1990), such funds to be in addition to the amounts required to be reserved by the States under such section 658G: Provided further, That of the funds provided for fiscal year 2000, $10,000,000 shall be for use by the Secretary for child care research, demonstration and evaluation activities (directly or by grants or contracts).

SOCIAL SERVICES BLOCK GRANT

For making grants to States pursuant to section 2002 of the Social Security Act, $1,909,000,000: Provided, That (1) notwithstanding section 2003(c) of such Act, as amended, the amount specified for allocation under such section for fiscal year 1999 shall be $1,909,000,000 and (2) notwithstanding subparagraph (B) of section 404(d)(2) of such Act, the applicable percent specified under such subparagraph for a State to carry out State programs pursuant to title XX of such Act for fiscal years 1999 and 2000 shall be 10 percent.

CHILDREN AND FAMILIES SERVICES PROGRAMS

(INCLUDING RESCISSIONS)

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Developmental Disabilities Assistance and Bill of Rights Act, the Head Start Act, the Child Abuse Prevention and Treatment Act (including section 106(a)(2) of the Child Abuse Prevention and Treatment Act), the Native American Programs Act of 1974, title II of Public Law 95–266 (adoption opportu-

456-2878