

1           (5) LEED GREEN BUILDING RATING SYSTEM.—  
2           The term “LEED Green Building Rating System”  
3           means the United States Green Building Council  
4           Leadership in Energy and Environmental Design  
5           green building rating standard referred to as the  
6           LEED Green Building Rating System.

7           (6) SECRETARY.—The term “Secretary” means  
8           the Secretary of Education.

9           (7) STATE.—The term “State” has the mean-  
10          ing given such term in section 103 of the Higher  
11          Education Act of 1965 (20 U.S.C. 1003).

12          (i) AVAILABILITY OF FUNDS.—There are authorized  
13          to be appropriated, and there are appropriated, to carry  
14          out this section (in addition to any other amounts appro-  
15          priated to carry out this section and out of any money  
16          in the Treasury not otherwise appropriated),  
17          \$2,500,000,000 for fiscal year 2011, which shall remain  
18          available until expended.

## 19           **TITLE IV—EARLY LEARNING** 20           **CHALLENGE FUND**

### 21   **SEC. 401. PURPOSE.**

22          The purpose of this title is to provide grants on a  
23          competitive basis to States for the following:

24           (1) To promote standards reform of State early  
25          learning programs serving children from birth

1 through age 5 in order to support the healthy devel-  
2 opment and improve the school readiness outcomes  
3 of young children.

4 (2) To establish a high standard of quality in  
5 early learning programs that integrates appropriate  
6 early learning and development standards across  
7 early learning settings.

8 (3) To fund and implement quality initiatives  
9 that improve the skills and effectiveness of early  
10 learning providers, and improve the quality of exist-  
11 ing early learning programs, in order to increase the  
12 number of disadvantaged children who participate in  
13 comprehensive and high-quality early learning pro-  
14 grams.

15 (4) To ensure that a greater number of dis-  
16 advantaged children enter kindergarten with the cog-  
17 nitive, social, emotional, and physical skills and abili-  
18 ties needed to be successful in school.

19 (5) To increase parents' abilities to access com-  
20 prehensive and high quality early learning programs  
21 across settings for their children.

22 **SEC. 402. PROGRAMS AUTHORIZED.**

23 (a) **QUALITY PATHWAYS GRANTS.**—The Secretary  
24 shall use funds made available to carry out this title for

1 a fiscal year to award grants on a competitive basis to  
2 States in accordance with section 403.

3 (b) DEVELOPMENT GRANTS.—The Secretary shall  
4 use funds made available to carry out this title for a fiscal  
5 year to award grants in accordance with section 404 on  
6 a competitive basis to States that demonstrate a commit-  
7 ment to establishing a system of early learning that will  
8 include the components described in section 403(e)(3) but  
9 are not—

10 (1) eligible to be awarded a grant under sub-  
11 section (a); or

12 (2) are not awarded such a grant after applica-  
13 tion.

14 (c) RESERVATIONS OF FEDERAL FUNDS.—

15 (1) RESEARCH, EVALUATION, AND ADMINISTRA-  
16 TION.—From the amount made available to carry  
17 out this title for a fiscal year, the Secretary—

18 (A) shall reserve up to 2 percent jointly to  
19 administer this title with the Secretary of  
20 Health and Human Services; and

21 (B) shall reserve up to 3 percent to carry  
22 out activities under section 405.

23 (2) TRIBAL SCHOOL READINESS PLANNING  
24 DEMONSTRATION.—After making the reservations  
25 under paragraph (1), the Secretary shall reserve

1 0.25 percent for a competitive grant program for In-  
2 dian tribes to develop and implement school readi-  
3 ness plans that—

4 (A) are coordinated with local educational  
5 agencies serving children who are members of  
6 the tribe; and

7 (B) include American Indian and Alaska  
8 Native Head Start and Early Head Start pro-  
9 grams, tribal child care programs, Indian  
10 Health Service programs, and other tribal pro-  
11 grams serving children.

12 (3) QUALITY PATHWAYS GRANTS.—

13 (A) IN GENERAL.—From the amount made  
14 available to carry out this title for a fiscal year  
15 and not reserved under paragraph (1) or (2),  
16 the Secretary shall reserve a percent (which  
17 shall be not greater than 65 percent for fiscal  
18 years 2010 through 2012 and not greater than  
19 85 percent for fiscal year 2013 and each suc-  
20 ceeding fiscal year) determined under subpara-  
21 graph (B) to carry out subsection (a).

22 (B) DETERMINATION OF AMOUNT.—In de-  
23 termining the amount to reserve under subpara-  
24 graph (A), the Secretary, consistent with sec-

1           tion 403(e), shall take into account the fol-  
2           lowing:

3                   (i) The total number of States deter-  
4                   mined by the Secretary to qualify for re-  
5                   ceipt of a grant under this title for the  
6                   year.

7                   (ii) The number of children under age  
8                   5 from low-income families in each State  
9                   with an approved application under section  
10                  403 for the year.

11                (C) REALLOCATION.—For fiscal year 2013  
12                and subsequent fiscal years, the Secretary may  
13                reallocate funds allocated for development  
14                grants under subsection (b) for the purpose of  
15                providing additional grants under subsection  
16                (a), if the Secretary determines that there is an  
17                insufficient number of applications that meet  
18                the requirements for a grant under subsection  
19                (b).

20                (d) STATE APPLICATIONS.—In applying for a grant  
21                under this title, a State—

22                   (1) shall designate a State-level entity for ad-  
23                   ministration of the grant;

24                   (2) shall coordinate proposed activities with the  
25                   State Advisory Council on Early Childhood Edu-

1 cation and Care (established pursuant to section  
2 642B(b)(1)(A) of the Head Start Act (42 U.S.C.  
3 9837b(b)(1)(A))) and shall incorporate plans and  
4 recommendations from such Council in the applica-  
5 tion, where applicable; and

6 (3) otherwise shall submit the application to the  
7 Secretary at such time, in such manner, and con-  
8 taining such information as the Secretary may rea-  
9 sonably require.

10 (e) PRIORITY IN AWARDING GRANTS.—In awarding  
11 grants under this title, the Secretary shall give priority  
12 to States—

13 (1) whose applications contain assurances that  
14 the State will use, in part, funds reserved under sec-  
15 tion 658G of the Child Care and Development Block  
16 Grant Act of 1990 (42 U.S.C. 9858e) for activities  
17 described in section 403(f);

18 (2) that will commit to dedicating a significant  
19 increase, in comparison to recent fiscal years, in  
20 State expenditures on early learning programs and  
21 services; and

22 (3) that demonstrate efforts to build public-pri-  
23 vate partnerships designed to accomplish the pur-  
24 poses of this title.

25 (f) MAINTENANCE OF EFFORT.—

1           (1) IN GENERAL.—With respect to each period  
2 for which a State is awarded a grant under this  
3 title, the aggregate expenditures by the State and its  
4 political subdivisions on early learning programs and  
5 services shall be not less than the level of the ex-  
6 penditures for such programs and services by the  
7 State and its political subdivisions for fiscal year  
8 2006.

9           (2) STATE EXPENDITURES.—For purposes of  
10 paragraph (1), expenditures by the State on early  
11 learning programs and services shall include, at a  
12 minimum, the following:

13           (A) State matching and maintenance of ef-  
14 fort funds for the Child Care and Development  
15 Block Grant Act of 1990 (42 U.S.C. 9858 et  
16 seq.).

17           (B) State matching funds for the State  
18 Advisory Council on Early Childhood Education  
19 and Care (established pursuant to section  
20 642B(b)(1)(A) of the Head Start Act (42  
21 U.S.C. 9837b(b)(1)(A))).

22           (C) State expenditures on public pre-kin-  
23 dergarten, Head Start (including Early Head  
24 Start), and other State early learning programs  
25 and services dedicated to children (including

1 State expenditures under part C of the Individ-  
2 uals with Disabilities Education Act (20 U.S.C.  
3 1431 et seq.)).

4 (g) PROHIBITIONS ON USE OF FUNDS.—Funds  
5 under this title may not be used for any of the following:

6 (1) Assessments that provide rewards or sanc-  
7 tions for individual children or teachers.

8 (2) A single assessment used as the primary or  
9 sole method for assessing program effectiveness.

10 (3) Evaluating children other than for—

11 (A) improving instruction or classroom en-  
12 vironment;

13 (B) targeting professional development;

14 (C) determining the need for health, men-  
15 tal health, disability, or family support services;

16 (D) informing the quality improvement  
17 process at the State level;

18 (E) program evaluation for the purposes of  
19 program improvement and parent information;

20 or

21 (F) research conducted as part of the na-  
22 tional evaluation required by section 405(2).

23 (h) FEDERAL ADMINISTRATION.—

24 (1) IN GENERAL.—With respect to this title,  
25 the Secretary shall bear responsibility for obligating

1 and disbursing funds and ensuring compliance with  
2 applicable laws and administrative requirements,  
3 subject to paragraph (2).

4 (2) INTERAGENCY AGREEMENT.—The Secretary  
5 of Education and the Secretary of Health and  
6 Human Services shall jointly administer this title on  
7 such terms as such secretaries shall set forth in an  
8 interagency agreement.

9 **SEC. 403. QUALITY PATHWAYS GRANTS.**

10 (a) GRANT PERIOD.—Grants under section 402(a)—

11 (1) may be awarded for a period not to exceed  
12 5 years; and

13 (2) may be renewed, subject to approval by the  
14 Secretary, and based on the State’s progress in—

15 (A) increasing the percentage of disadvan-  
16 taged children in each age group (infants, tod-  
17 dlers, and preschoolers) who participate in high-  
18 quality early learning programs;

19 (B) increasing the number of high-quality  
20 early learning programs in low-income commu-  
21 nities;

22 (C) implementing an early learning system  
23 that includes the components described in sub-  
24 section (c)(3); and

1 (D) incorporating the findings and rec-  
2 ommendations reported by the commission es-  
3 tablished under section 405(1) into the State  
4 system of early learning.

5 (b) MATCHING REQUIREMENT.—

6 (1) IN GENERAL.—Subject to subsection (g), to  
7 be eligible to receive a grant under section 402(a),  
8 a State shall contribute to the activities assisted  
9 under the grant non-Federal matching funds in an  
10 amount equal to not less than the applicable percent  
11 of the amount of the grant.

12 (2) APPLICABLE PERCENT.—For purposes of  
13 paragraph (1), the applicable percent means—

14 (A) 10 percent in the first fiscal year of  
15 the grant;

16 (B) 10 percent in the second fiscal year of  
17 the grant;

18 (C) 15 percent in the third fiscal year of  
19 the grant; and

20 (D) 20 percent in the fourth fiscal year of  
21 the grant and subsequent fiscal years.

22 (3) NON-FEDERAL FUNDS.—A State may use  
23 the following to satisfy the requirement of paragraph  
24 (1):

25 (A) Cash.

1           (B) In-kind contributions for the acquisi-  
2           tion, construction, or improvement of early  
3           learning program facilities serving disadvan-  
4           taged children.

5           (C) Technical assistance related to sub-  
6           paragraph (B).

7           (4) PRIVATE CONTRIBUTIONS.—Private con-  
8           tributions made as part of public-private partner-  
9           ships to increase the number of low-income children  
10          in high-quality early learning programs in a State  
11          may be used by the State to satisfy the requirement  
12          of paragraph (1).

13          (5) FINANCIAL HARDSHIP WAIVER.—The Sec-  
14          retary may waive or reduce the non-Federal share of  
15          a State that has submitted an application for a  
16          grant under section 402(a) if the State demonstrates  
17          a need for such waiver or reduction due to extreme  
18          financial hardship, as defined by the Secretary by  
19          regulation.

20          (c) STATE APPLICATIONS.—In order to be considered  
21          for a grant under section 402(a), a State's application  
22          under section 402(d) shall include the following:

23               (1) A description of how the State will use the  
24               grant to implement quality initiatives to improve  
25               early learning programs serving disadvantaged chil-

1       dren from birth to age 5 to lead to a greater per-  
2       centage of such children participating in higher  
3       quality early learning programs.

4               (2) A description of the goals and benchmarks  
5       the State will establish to lead to a greater percent-  
6       age of disadvantaged children participating in higher  
7       quality early learning programs to improve school  
8       readiness outcomes, including an established baseline  
9       of the number of disadvantaged children in high-  
10      quality early learning programs.

11              (3) A description of how the State will imple-  
12      ment a governance structure and a system of early  
13      learning programs and services that includes the fol-  
14      lowing components:

15                      (A) Not later than 12 months after receiv-  
16      ing notice of an award of the grant, complete  
17      State early learning and development standards  
18      that include social and emotional, cognitive, and  
19      physical development domains, and approaches  
20      to learning that are developmentally appro-  
21      priate (including culturally and linguistically  
22      appropriate) for all children.

23                      (B) A process to ensure that State early  
24      learning and development standards are inte-  
25      grated into the instructional and programmatic

1 practices of early learning programs and serv-  
2 ices, including services provided to children  
3 under section 619 and part C of the Individuals  
4 with Disabilities Education Act (20 U.S.C.  
5 1419, 1431 et seq.).

6 (C) A program rating system that builds  
7 on licensing requirements, as appropriate, and  
8 other State regulatory standards and that—

9 (i) is designed to improve quality and  
10 effectiveness across different types of early  
11 learning settings;

12 (ii) integrates evidence-based program  
13 quality standards that reflect standard lev-  
14 els of quality and has progressively higher  
15 levels of program quality;

16 (iii) integrates the State's early learn-  
17 ing and development standards for the  
18 purpose of improving instructional and  
19 programmatic practices;

20 (iv) addresses quality and effective in-  
21 clusion of children with disabilities or de-  
22 velopmental delays across different types of  
23 early learning settings;

24 (v) addresses staff qualifications and  
25 professional development;

1 (vi) provides financial incentives and  
2 other supports to help programs meet and  
3 sustain higher levels of quality;

4 (vii) includes mechanisms for evalu-  
5 ating how programs are meeting those  
6 standards and progressively higher levels  
7 of quality; and

8 (viii) includes a mechanism for public  
9 awareness and understanding of the pro-  
10 gram rating system, including rating levels  
11 of individual programs.

12 (D) A system of program review and moni-  
13 toring that is designed to rate providers using  
14 the system described in subparagraph (C) and  
15 to assess and improve programmatic practices,  
16 instructional practices, and classroom environ-  
17 ment.

18 (E) A process to support early learning  
19 programs integrating instructional and pro-  
20 grammatic practices that—

21 (i) include developmentally appro-  
22 priate (including culturally and linguis-  
23 tically appropriate), ongoing, classroom-  
24 based instructional assessments for each  
25 domain of child development and learning

1 (including social and emotional, cognitive,  
2 and physical development domains and ap-  
3 proaches to learning) to guide and improve  
4 instructional practice, professional develop-  
5 ment of staff, and services; and

6 (ii) are aligned with the curricula used  
7 in the early learning program and with the  
8 State early learning and development  
9 standards or the Head Start Child Out-  
10 comes Framework (as described in the  
11 Head Start Act), as applicable.

12 (F) Minimum preservice early childhood  
13 development and education training require-  
14 ments for providers in early learning programs.

15 (G) A comprehensive plan for supporting  
16 the professional preparation and the ongoing  
17 professional development of an effective, well-  
18 compensated early learning workforce, which  
19 plan includes training and education that is  
20 sustained, intensive, and classroom-focused and  
21 leads toward a credential or degree and is tied  
22 to improved compensation.

23 (H) An outreach strategy to promote un-  
24 derstanding by parents and families of—

1 (i) how to support their child's early  
2 development and learning;

3 (ii) the State's program rating sys-  
4 tem, as described in subparagraph (C);  
5 and

6 (iii) the rating of the program in  
7 which their child is enrolled.

8 (I) A coordinated system to facilitate  
9 screening, referral, and provision of services re-  
10 lated to health, mental health, disability, and  
11 family support for children participating in  
12 early learning programs.

13 (J) A process for evaluating school readi-  
14 ness in children that reflects all of the major  
15 domains of development, and that is used to  
16 guide practice and improve early learning pro-  
17 grams.

18 (K) A coordinated data infrastructure that  
19 facilitates—

20 (i) uniform data collection about the  
21 quality of early learning programs, essen-  
22 tial information about the children and  
23 families that participate in such programs,  
24 and the qualifications and compensation of

1 the early learning workforce in such pro-  
2 grams; and

3 (ii) alignment and interoperability be-  
4 tween the data system for early learning  
5 programs for children and data systems for  
6 elementary and secondary education.

7 (4) A description of how the funds provided  
8 under the grant will be targeted to prioritize increas-  
9 ing the number and percentage of low-income chil-  
10 dren in high-quality early learning programs, includ-  
11 ing children—

12 (A) in each age group (infants, toddlers,  
13 and preschoolers);

14 (B) with developmental delays and disabil-  
15 ities;

16 (C) with limited English proficiency; and

17 (D) living in rural areas.

18 (5) An assurance that the grant will be used to  
19 improve the quality of early learning programs  
20 across a range of types of settings and providers of  
21 such programs.

22 (6) A description of the steps the State will  
23 take to make progress toward including all center-  
24 based child care programs, family child care pro-  
25 grams, State-funded prekindergarten, Head Start

1 programs, and other early learning programs, such  
2 as those funded under title I of the Elementary and  
3 Secondary Education Act of 1965 (20 U.S.C. 6301  
4 et seq.) or receiving funds under section 619 or part  
5 C of the Individuals with Disabilities Education Act  
6 (20 U.S.C. 1419, 1431 et seq.) in the State program  
7 rating system described in paragraph (3)(C).

8 (7) An assurance that the State, not later than  
9 18 months after receiving notice of an award of the  
10 grant, will conduct an analysis of the alignment of  
11 the State's early learning and development stand-  
12 ards with—

13 (A) appropriate academic content stand-  
14 ards for grades kindergarten through 3; and

15 (B) elements of program quality standards  
16 for early learning programs.

17 (8) An assurance that the grant will be used  
18 only to supplement, and not to supplant, Federal,  
19 State, and local funds otherwise available to support  
20 existing early learning programs and services.

21 (9) A description of any disparity by age group  
22 (infants, toddlers, and preschoolers) of available  
23 high-quality early learning programs in low-income  
24 communities and the steps the State will take to de-  
25 crease such disparity, if applicable.

1           (10) A description of how the State early learn-  
2           ing and development standards will address the  
3           needs of children with limited English proficiency,  
4           including by incorporating benchmarks related to  
5           English language development.

6           (11) A description of how the State’s profes-  
7           sional development plan will prepare the early learn-  
8           ing workforce to support the early learning needs of  
9           children with limited English proficiency.

10          (12) A description of how the State will im-  
11          prove interagency collaboration and coordinate the  
12          purposes of this title with the activities funded  
13          under—

14                (A) section 658G of the Child Care and  
15                Development Block Grant Act of 1990 (42  
16                U.S.C. 9858e);

17                (B) section 619 and part C of the Individ-  
18                uals with Disabilities Education Act (20 U.S.C.  
19                1419, 1431 et seq.);

20                (C) title I of the Elementary and Sec-  
21                ondary Education Act of 1965 (20 U.S.C. 6301  
22                et seq.);

23                (D) State-funded pre-kindergarten pro-  
24                grams (where applicable);

25                (E) Head Start programs; and

1 (F) other early childhood programs and  
2 services.

3 (13) A description of how the State's early  
4 learning policies, including child care policies, facili-  
5 tate access to high-quality early learning programs  
6 for children from low-income families.

7 (14) An assurance that the State will continue  
8 to participate in part C of the Individuals with Dis-  
9 abilities Education Act (20 U.S.C. 1431 et seq.) for  
10 the duration of the grant.

11 (d) CRITERIA USED IN AWARDING GRANTS.—In  
12 awarding grants under section 402(a), the Secretary shall  
13 evaluate the applications, and award grants under such  
14 section on a competitive basis, based on—

15 (1) the quality of the application submitted pur-  
16 suant to section 402(d);

17 (2) the priority factors described in section  
18 402(e);

19 (3) evidence of significant progress in estab-  
20 lishing a system of early learning for children that  
21 includes the components described in subsection  
22 (c)(3); and

23 (4) the State's capacity to fully complete imple-  
24 mentation of such a system.

1 (e) CRITERION USED IN DETERMINING AMOUNT OF  
2 AWARD.—In determining the amount to award a State  
3 under section 402(a), the Secretary shall take into ac-  
4 count—

5 (1) the proportion of children under age 5 from  
6 low-income families in the State relative to such pro-  
7 portion in other States; and

8 (2) the State plan and capacity to implement  
9 the criteria described in paragraphs (3) and (4) of  
10 subsection (d).

11 (f) STATE USES OF FUNDS.—

12 (1) IN GENERAL.—A State receiving a grant  
13 under section 402(a) shall use the grant as follows:

14 (A) Not less than 65 percent of the grant  
15 amount shall be used for two or more of the fol-  
16 lowing activities to improve the quality of early  
17 learning programs serving disadvantaged chil-  
18 dren:

19 (i) Initiatives that improve the creden-  
20 tials of early learning providers and are  
21 tied to increased compensation.

22 (ii) Initiatives that help early learning  
23 programs meet and sustain higher pro-  
24 gram quality standards, such as—

- 1 (I) improving the ratio of early  
2 learning provider to children in early  
3 learning settings;
- 4 (II) reducing group size;
- 5 (III) improving the qualifications  
6 of early learning providers; and
- 7 (IV) supporting effective edu-  
8 cation and training for early learning  
9 providers.
- 10 (iii) Implementing classroom observa-  
11 tion assessments and data-driven decisions  
12 (which may include implementation of a  
13 research-based prevention and intervention  
14 framework designed to build social com-  
15 petence and prevent challenging behaviors)  
16 tied to activities that improve instructional  
17 practices, programmatic practices, or class-  
18 room environment and promote school  
19 readiness.
- 20 (iv) Providing financial incentives to  
21 early learning programs—
- 22 (I) for undertaking quality im-  
23 provements that promote healthy de-  
24 velopment and school readiness; and

1 (II) maintaining quality improve-  
2 ments that promote healthy develop-  
3 ment and school readiness.

4 (v) Integrating State early learning  
5 and development standards into instruc-  
6 tional and programmatic practices in early  
7 learning programs.

8 (vi) Providing high-quality, sustained,  
9 intensive, and classroom-focused profes-  
10 sional development that improves the  
11 knowledge and skills of early learning pro-  
12 viders, including professional development  
13 related to meeting the needs of diverse  
14 populations.

15 (vii) Building the capacity of early  
16 learning programs and communities to pro-  
17 mote the understanding of parents and  
18 families of the State's early learning sys-  
19 tem and the rating of the program in  
20 which their child is enrolled and to encour-  
21 age the active involvement and engagement  
22 of parents and families in the learning and  
23 development of their children.

24 (viii) Building the capacity of early  
25 learning programs and communities to fa-

1 cilitate screening, referral, and provision of  
2 services related to health, mental health,  
3 disability, and family support for children  
4 participating in early learning programs.

5 (ix) Other innovative activities, pro-  
6 posed by the State and approved in ad-  
7 vance by the Secretary that are—

8 (I) based on successful practices;

9 (II) designed to improve the  
10 quality of early learning programs and  
11 services; and

12 (III) advance the system compo-  
13 nents described in subsection (c)(3).

14 (B) The remainder of the grant amount  
15 may be used for one or more of the following:

16 (i) Implementation or enhancement of  
17 the State's data system described in sub-  
18 section (c)(3)(K), including interoperability  
19 across agencies serving children, and  
20 unique child and program identifiers.

21 (ii) Enhancement of the State's over-  
22 sight system for early learning programs,  
23 including the implementation of a program  
24 rating system.

1                   (iii) The development and implemen-  
2                   tation of measures of school readiness of  
3                   children that reflect all of the major do-  
4                   mains of child development and that in-  
5                   form the quality improvement process.

6                   (2) PRIORITY.—A State receiving a grant under  
7                   section 402(a) shall use the grant so as to prioritize  
8                   improving the quality of early learning programs  
9                   serving children from low-income families.

10                  (g) SPECIAL RULE.—

11                  (1) IN GENERAL.—Beginning with the second  
12                  fiscal year of a grant under section 402(a), a State  
13                  with respect to which the Secretary certifies that the  
14                  State has made sufficient progress in implementing  
15                  the requirements of the grant may apply to the Sec-  
16                  retary to reserve up to 25 percent of the amount of  
17                  the grant to expand access for children from low-in-  
18                  come families to the highest quality early learning  
19                  programs that offer full-day services, except that the  
20                  State must agree to contribute for such purpose  
21                  non-Federal matching funds in an amount equal to  
22                  not less than 20 percent of the amount reserved  
23                  under this subsection. One-half of such non-Federal  
24                  matching funds may be provided by a private entity.

1           (2) NON-FEDERAL FUNDS.—A State may use  
2           the following to satisfy the matching requirement of  
3           paragraph (1):

4                   (A) Cash.

5                   (B) In-kind contributions for the acquisi-  
6           tion, construction, or improvement of early  
7           learning program facilities serving disadvan-  
8           taged children.

9                   (C) Technical assistance related to sub-  
10          paragraph (B).

11          (3) FINANCIAL HARDSHIP WAIVER.—The Sec-  
12          retary may waive or reduce the non-Federal share of  
13          a State under paragraph (1) if the State dem-  
14          onstrates a need for such waiver or reduction due to  
15          extreme financial hardship, as defined by the Sec-  
16          retary by regulation.

17          (h) IMPROVEMENT PLAN.—If the Secretary deter-  
18          mines that a State receiving a grant under section 402(a)  
19          is encountering barriers to reaching goals described in  
20          subsection (c)(2), the State shall develop a plan for im-  
21          provement in consultation with, and subject to approval  
22          by, the Secretary.

1 **SEC. 404. DEVELOPMENT GRANTS.**

2 (a) GRANT PERIOD.—Grants under section 402(b)  
3 may be awarded for a period not to exceed 3 years, and  
4 may not be renewed.

5 (b) STATE USES OF FUNDS.—

6 (1) IN GENERAL.—A State receiving a grant  
7 under section 402(b) shall use the grant to under-  
8 take activities to develop the early learning system  
9 components described in section 403(c)(3) and that  
10 will allow a State to become eligible and competitive  
11 for a grant described in section 402(a).

12 (2) PRIORITY.—A State receiving a grant under  
13 section 402(b) shall use the grant so as to prioritize  
14 improving the quality of early learning programs  
15 serving low-income children.

16 (c) MATCHING REQUIREMENT.—

17 (1) IN GENERAL.—To be eligible to receive a  
18 grant under section 402(b), a State shall contribute  
19 to the activities assisted under the grant non-Fed-  
20 eral matching funds in an amount equal to not less  
21 than the applicable percent of the amount of the  
22 grant.

23 (2) APPLICABLE PERCENT.—For purposes of  
24 paragraph (1), the applicable percent means—

25 (A) 20 percent in the first fiscal year of  
26 the grant;

1           (B) 25 percent in the second fiscal year of  
2           the grant; and

3           (C) 30 percent in the third fiscal year of  
4           the grant.

5           (3) NON-FEDERAL FUNDS.—A State may use  
6           the following to satisfy the requirement of paragraph  
7           (1):

8           (A) Cash.

9           (B) In-kind contributions for the acquisi-  
10          tion, construction, or improvement of early  
11          learning program facilities serving disadvan-  
12          taged children.

13          (C) Technical assistance related to sub-  
14          paragraph (B).

15          (4) PRIVATE CONTRIBUTIONS.—Private con-  
16          tributions made as part of public-private partner-  
17          ships to increase the number of low-income children  
18          in high-quality early learning programs in a State  
19          may be used by the State to satisfy the requirement  
20          of paragraph (1).

21          (5) FINANCIAL HARDSHIP WAIVER.—The Sec-  
22          retary may waive or reduce the non-Federal share of  
23          a State that has submitted an application for a  
24          grant under section 402(b) if the State demonstrates  
25          a need for such waiver or reduction due to extreme

1 financial hardship, as defined by the Secretary by  
2 regulation.

3 **SEC. 405. RESEARCH AND EVALUATION.**

4 From funds reserved under section 402(c)(1), the  
5 Secretary of Education and the Secretary of Health and  
6 Human Services, acting jointly, shall carry out the fol-  
7 lowing activities:

8 (1) Establishing a national commission whose  
9 duties shall include—

10 (A) reviewing the status of State and Fed-  
11 eral early learning program quality standards  
12 and early learning and development standards;

13 (B) recommending benchmarks for pro-  
14 gram quality standards and early learning and  
15 development standards, including taking into  
16 consideration the school readiness needs of chil-  
17 dren with limited English proficiency; and

18 (C) reporting to the Secretaries of Edu-  
19 cation and Health and Human Services not  
20 later than 2 years after the date of the enact-  
21 ment of this Act on the commission's findings  
22 and recommendations.

23 (2) Conducting a national evaluation of the  
24 grants made under this title through the Institute of  
25 Education Science in collaboration with the appro-

1        appropriate research divisions within the Department of  
2        Health and Human Services.

3            (3) Supporting a research collaborative among  
4        the Institute of Education Sciences, the National In-  
5        stitute of Child Health and Human Development,  
6        the Office of Planning, Research, and Evaluation  
7        within the Administration for Children and Families  
8        in the Department of Health and Human Services,  
9        and, as appropriate, other Federal entities to sup-  
10       port research on early learning that can inform im-  
11       proved State and other standards and licensing re-  
12       quirements and improved child outcomes, which col-  
13       laborative shall—

14            (A) biennially prepare and publish for pub-  
15        lic comment a detailed research plan;

16            (B) support early learning research activi-  
17        ties that could include determining—

18            (i) the characteristics of early learning  
19        programs that produce positive develop-  
20        mental outcomes for children;

21            (ii) the effects of program quality  
22        standards on child outcomes;

23            (iii) the relationships between specific  
24        interventions and types of child and family  
25        outcomes;

1 (iv) the effectiveness of early learning  
2 provider training in raising program qual-  
3 ity and improving child outcomes;

4 (v) the effectiveness of professional  
5 development strategies in raising program  
6 quality and improving child outcomes; and

7 (vi) how to improve the school readi-  
8 ness outcomes of children with limited  
9 English proficiency, special needs, and  
10 homeless children, including evaluation of  
11 professional development programs for  
12 working with such children; and

13 (C) disseminate relevant research findings  
14 and best practices.

15 (4) Evaluating barriers to improving the quality  
16 of early learning programs serving low-income chil-  
17 dren, including evaluating barriers to successful  
18 interagency collaboration and coordination, by con-  
19 ducting a review of the statewide strategic reports  
20 developed by the State Advisory Councils on Early  
21 Care and Education and other relevant reports, re-  
22 porting the findings of such review to Congress, and  
23 disseminating relevant research findings and best  
24 practices.

1 **SEC. 406. REPORTING REQUIREMENTS.**

2 (a) **REPORTS TO CONGRESS.**—For each year in which  
3 funding is provided under this title, the Secretary shall  
4 submit an annual report to the Committee on Education  
5 and Labor of the House of Representatives and the Com-  
6 mittee on Health, Education, Labor and Pensions of the  
7 Senate on the activities carried out under this title, includ-  
8 ing, at a minimum, information on the following:

9 (1) The activities undertaken by States to in-  
10 crease the availability of high-quality early learning  
11 programs.

12 (2) The number of children in high-quality  
13 early learning programs, and the change from the  
14 prior year, disaggregated by State, age, and race.

15 (3) The number of early learning providers en-  
16 rolled, with assistance from funds under this title, in  
17 a program to obtain a credential or degree in early  
18 childhood education and the settings in which such  
19 providers work.

20 (4) A summary of State progress in imple-  
21 menting a system of early learning with the compo-  
22 nents described in section 403(c)(3).

23 (5) A summary of the research activities being  
24 conducted under section 405 and the findings of  
25 such research.

1 (b) REPORTS TO SECRETARY.—Each State that re-  
2 ceives a grant under this title shall submit to the Secretary  
3 an annual report that includes, at a minimum, information  
4 on the activities carried out by the State under this title,  
5 including the following:

6 (1) The progress on fully implementing and in-  
7 tegrating into a system of early learning each of the  
8 components described in section 403(c)(3).

9 (2) The State's progress in meeting its goals  
10 for increasing the number of disadvantaged children  
11 participating in high-quality early learning pro-  
12 grams, disaggregated by child age.

13 (3) The number and percentage of disadvan-  
14 taged children participating in early learning pro-  
15 grams at each level of quality, disaggregated by  
16 race, family income, child age, disability, and limited  
17 English proficiency status.

18 (4) The number of providers participating in  
19 the State quality rating system, disaggregated by  
20 setting, rating, and the number of high-quality pro-  
21 viders available in low-income communities.

22 (5) Information on how the funds provided  
23 under this title were used to increase the availability  
24 of high-quality early learning programs for each age

1 group, disaggregated by race and limited English  
2 proficient status, to the maximum extent practicable.

3 (6) Information on professional development  
4 and training expenditures, including—

5 (A) the number of early learning providers  
6 engaged in such activities; and

7 (B) the number of early learning providers  
8 enrolled in programs to obtain a credential or  
9 degree in early childhood education,  
10 disaggregated by the type of credential and de-  
11 gree.

12 (7) The change in the number and percentage  
13 of early learning providers with appropriate creden-  
14 tials or degrees in early childhood education, includ-  
15 ing the change in compensation given to such pro-  
16 viders, in comparison to the prior fiscal year,  
17 disaggregated by early learning setting and the type  
18 of credential or degree.

19 (8) In the case of a State receiving a grant  
20 under section 402(a), the percentage of children re-  
21 ceiving assistance under the Child Care and Devel-  
22 opment Block Grant Act of 1990 (42 U.S.C. 9858  
23 et seq.) who participate in the highest quality early  
24 learning programs, disaggregated by program set-  
25 ting and child age.

1           (9) Barriers to expanding access to high-quality  
2           early learning programs for disadvantaged children.

3 **SEC. 407. CONSTRUCTION.**

4           Nothing in this title—

5           (1) shall be construed to require a child to par-  
6           ticipate in an early learning program; or

7           (2) shall be used to deny entry to kindergarten  
8           for any individual if the individual is legally eligible,  
9           as defined by State or local law.

10 **SEC. 408. DEFINITIONS.**

11           For purposes of this title:

12           (1) CHILD.—The term “child” refers to an in-  
13           dividual from birth through the day the individual  
14           enters kindergarten.

15           (2) DISADVANTAGED.—The term “disadvan-  
16           taged”, when used with respect to a child, means a  
17           child whose family income is described in section  
18           658P(4)(B) of the Child Care and Development  
19           Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)).

20           (3) INDIAN TRIBE.—The term “Indian tribe”  
21           has the meaning given such term in section 637 of  
22           the Head Start Act (42 U.S.C. 9832).

23           (4) LIMITED ENGLISH PROFICIENT.—The term  
24           “limited English proficient” has the meaning given

1 such term in section 637 of the Head Start Act (42  
2 U.S.C. 9832).

3 (5) SECRETARY.—The term “Secretary” means  
4 the Secretary of Education.

5 (6) STATE.—The term “State” has the mean-  
6 ing given such term in section 9101 of the Elemen-  
7 tary and Secondary Education Act of 1965 (20  
8 U.S.C. 7801).

9 **SEC. 409. AVAILABILITY OF FUNDS.**

10 There are authorized to be appropriated, and there  
11 are appropriated, to carry out this title (in addition to any  
12 other amounts appropriated to carry out this title and out  
13 of any money in the Treasury not otherwise appropriated)  
14 \$1,000,000,000 for each of fiscal years 2010 through  
15 2017.

16 **TITLE V—AMERICAN**  
17 **GRADUATION INITIATIVE**

18 **SEC. 501. AUTHORIZATION AND APPROPRIATION.**

19 (a) AUTHORIZATION AND APPROPRIATION.—There  
20 are authorized to be appropriated, and there are appro-  
21 priated, to carry out this title (in addition to any other  
22 amounts appropriated to carry out this title and out of  
23 any money in the Treasury not otherwise appropriated),  
24 \$730,000,000 for each of the fiscal years 2010 through