

106TH CONGRESS
1ST SESSION

S. 814

To establish incentives to improve the quality and supply of child care, to increase the availability and affordability of professional development for child care providers, to expand youth development opportunities, to ensure adequate child care subsidies for low-income working families, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 15, 1999

Mr. JEFFORDS (for himself, Mr. DODD, Ms. LANDRIEU, and Mr. KENNEDY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To establish incentives to improve the quality and supply of child care, to increase the availability and affordability of professional development for child care providers, to expand youth development opportunities, to ensure adequate child care subsidies for low-income working families, and for other purposes.

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

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

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Creating Healthy Opportunities and Improving Child
 4 Education and Support Act” or as the “CHOICES Act”.

5 (b) TABLE OF CONTENTS.—The table of contents of
 6 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Definitions.

TITLE I—ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE

Subtitle A—Child Care Quality Improvement Incentive Program

Sec. 101. Definitions.

Sec. 102. Establishment of State program.

Sec. 103. Distribution.

Sec. 104. State eligibility and application requirements.

Sec. 105. Use of funds by States.

Sec. 106. Reservation.

Sec. 107. Authorization of appropriations.

Subtitle B—Increased Enforcement of State Health and Safety Standards

Sec. 111. Enforcement of State health and safety standards.

Subtitle C—Distribution of Information About Quality Child Care

Sec. 121. Expansion of role of the Department of Health and Human Services
 in the collection and dissemination of information and tech-
 nology.

**TITLE II—EXPANDING PROFESSIONAL DEVELOPMENT
 OPPORTUNITIES**

Sec. 201. Child care training infrastructure.

Sec. 202. Child Care Training Revolving Fund.

**TITLE III—EXPANDING YOUTH DEVELOPMENT OPPORTUNITIES
 DURING NON-SCHOOL HOURS**

Sec. 301. Purpose.

Sec. 302. Definitions.

Sec. 303. Establishment of program.

Sec. 304. State allotments.

Sec. 305. State application.

Sec. 306. Local allocations and grants.

Sec. 307. Local application.

Sec. 308. Use of grant funds.

Sec. 309. Federal administration; duties of the Assistant Secretary.

Sec. 310. State administration; duties of the States.

Sec. 311. Coordination with other programs.

Sec. 312. Authorization of appropriations.

TITLE IV—EXPANDING CHILD CARE SUBSIDY FOR LOW-INCOME
FAMILIES

Sec. 401. Authorization of appropriations.

Sec. 402. Application and plan.

Sec. 403. Automated systems.

1 SEC. 2. DEFINITIONS.

2 In this Act:

3 (1) ACCREDITED CHILD CARE FACILITY.—The
4 term “accredited child care facility” means—

5 (A) a facility that is accredited, by a child
6 care credentialing or accreditation entity recog-
7 nized by a State or national organization de-
8 scribed in paragraph (2)(A), to provide child
9 care (except children who a tribal organization
10 elects to serve through a facility described in
11 subparagraph (B));

12 (B) a facility that is accredited, by a child
13 care credentialing or accreditation entity recog-
14 nized by a tribal organization, to provide child
15 care for children served by the tribal organiza-
16 tion;

17 (C) a facility that is used as a Head Start
18 center under the Head Start Act (42 U.S.C.
19 9831 et seq.) and is in compliance with applica-
20 ble performance standards established by regu-
21 lation under such Act for Head Start programs;
22 or

1 (D) a military child development center (as
 2 defined in section 1798(1) of title 10, United
 3 States Code) that is in a facility owned or
 4 leased by the Department of Defense or the
 5 Coast Guard.

6 (2) CHILD CARE CREDENTIALING OR ACCREDI-
 7 TATION ENTITY.—The term “child care credentialing
 8 or accreditation entity” means a nonprofit private
 9 organization or public agency that—

10 (A) is recognized by a State agency, a trib-
 11 al organization, or a national organization that
 12 serves as a peer review panel on the standards
 13 and procedures of public and private child care
 14 or school accrediting bodies; and

15 (B) accredits a facility or credentials an in-
 16 dividual to provide child care on the basis of—

17 (i) an accreditation or credentialing
 18 instrument based on peer-validated re-
 19 search;

20 (ii) compliance with applicable State
 21 and local licensing requirements, or stand-
 22 ards described in section 658E(c)(2)(E)(ii)
 23 of the Child Care and Development Block
 24 Grant Act (42 U.S.C. 9858c(c)(2)(E)(ii)),

as appropriate, for the facility or individual;

(iii) outside monitoring of the facility or individual; and

(iv) criteria that provide assurances of—

(I) compliance with age-appropriate health and safety standards at the facility or by the individual;

(II) use of developmentally appropriate educational activities, as an integral part of the child care program carried out at the facility or by the individual; and

(III) use of ongoing staff development or training activities for the staff of the facility or the individual, including related skills-based testing.

(3) CREDENTIALED CHILD CARE PROFESSIONAL.—The term “credentialed child care professional” means—

(A) an individual who—

(i) is credentialed, by a child care credentialing or accreditation entity recognized by a State or a national organization

1 described in paragraph (2)(A), to provide
 2 child care (except children who a tribal or-
 3 ganization elects to serve through an indi-
 4 vidual described in subparagraph (B)); or

5 (ii) successfully completes a 4-year or
 6 graduate degree in a relevant academic
 7 field (such as early childhood education,
 8 education, or recreation services);

9 (B) an individual who is credentialed, by a
 10 child care credentialing or accreditation entity
 11 recognized by a tribal organization, to provide
 12 child care for children served by the tribal orga-
 13 nization; or

14 (C) an individual certified by the Armed
 15 Forces of the United States to provide child
 16 care as a family child care provider (as defined
 17 in section 658P of the Child Care and Develop-
 18 ment Block Grant Act of 1990 (42 U.S.C.
 19 9858n)) in military family housing.

20 (4) STATE; TRIBAL ORGANIZATION.—The terms
 21 “State” and “tribal organization” have the meaning
 22 given the term in section 658P of the Child Care
 23 and Development Block Grant Act (42 U.S.C.
 24 9858n).

1 **TITLE II—ACTIVITIES TO IM-**
2 **PROVE THE QUALITY OF**
3 **CHILD CARE**

4 **Subtitle A—Child Care Quality**
5 **Improvement Incentive Program**

6 **SEC. 101. DEFINITIONS.**

7 In this subtitle:

8 (1) CHILD CARE PROVIDER.—The term “child
9 care provider” means—

10 (A) a center-based child care provider, a
11 group home child care provider, a family child
12 care provider, or other provider of non-residen-
13 tial child care services for compensation that—

14 (i) is licensed, regulated, registered, or
15 otherwise legally operating under State
16 law; and

17 (ii) satisfies the State and local re-
18 quirements;

19 applicable to the child care services the provider
20 provides; or

21 (B) a child care provider that is 18 years
22 of age or older who provides child care services
23 only to an eligible child who is, by affinity or
24 consanguinity, or by court decree, the grand-
25 child, great grandchild, sibling, niece, or neph-

ew of such provider, if such provider does not
reside in the same residence with the child for
whom the provider is providing care and if the
provider complies with any applicable require-
ments that govern child care provided by the
relative involved.

(2) FAMILY CHILD CARE PROVIDER.—The term
“family child care provider” has the meaning given
the term in section 658P of the Child Care and De-
velopment Block Grant Act of 1990 (42 U.S.C.
9858n).

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

SEC. 102. ESTABLISHMENT OF STATE PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a
program to award grants to eligible States to pay for the
Federal share of the cost of enabling such States to carry
out activities to improve the quality of child care for chil-
dren in the States (except children who a tribal organiza-
tion elects to serve under section 106).

(b) AWARDING OF GRANTS.—The Secretary shall
award the grants to the States from allotments made in
accordance with section 103.

(c) LIMITATION ON ADMINISTRATIVE COSTS.—

1 (1) IN GENERAL.—The Secretary shall not use
 2 more than 5 percent of the amount appropriated
 3 under section 107 for a fiscal year for the adminis-
 4 trative costs associated with the administration of
 5 the program under this section.

6 (2) DEFINITION.—In paragraph (1), the term
 7 “administrative costs” shall not include the costs of
 8 providing direct services.

9 **SEC. 103. DISTRIBUTION.**

10 (a) AMOUNTS RESERVED.—The Secretary shall re-
 11 serve not more than $\frac{1}{2}$ of 1 percent of the amount appro-
 12 priated under this subtitle for each fiscal year for pay-
 13 ments to Guam, American Samoa, the Virgin Islands of
 14 the United States, and the Commonwealth of the North-
 15 ern Mariana Islands to be allotted in accordance with their
 16 respective needs.

17 (b) STATE ALLOTMENT.—

18 (1) GENERAL RULE.—From the amount appro-
 19 priated under section 107 for each fiscal year and
 20 remaining after reservations made under subsection
 21 (a), section 102(c), and section 106, the Secretary
 22 shall allot to each State an amount equal to the sum
 23 of—

24 (A) an amount that bears the same ratio
 25 to 50 percent of the remainder as the product

1 of the young child factor of the State and the
 2 allotment percentage of the State bears to the
 3 sum of the corresponding products for all
 4 States; and

5 (B) an amount that bears the same ratio
 6 to 50 percent of the remainder as the product
 7 of the school lunch factor of the State and the
 8 allotment percentage of the State bears to the
 9 sum of the corresponding products for all
 10 States.

11 (2) MINIMUM ALLOTMENT.—The amount of an
 12 allotment awarded to a State under this subsection
 13 shall not be less than an amount equal to 0.75 per-
 14 cent of the total amount appropriated for the fiscal
 15 year under section 107.

16 (3) YOUNG CHILD FACTOR.—The term “young
 17 child factor” means the ratio of the number of chil-
 18 dren in the State under 5 years of age to the num-
 19 ber of the children in all States as provided by the
 20 most recent annual estimates of population in the
 21 States by the Bureau of the Census of the Depart-
 22 ment of Commerce.

23 (4) SCHOOL LUNCH FACTOR.—The term
 24 “school lunch factor” means the ratio of the number
 25 of children in the State who are receiving free or re-

duced price lunches under the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.) to the number of the children in all States as determined annually by the Department of Agriculture.

(5) ALLOTMENT PERCENTAGE.—

(A) IN GENERAL.—The allotment percentage for a State is determined by dividing the per capita income of all individuals in the United States, by the per capita income of all individuals in the State.

(B) LIMITATIONS.—If an allotment percentage determined under subparagraph (A)—

(i) exceeds 1.2 percent, the allotment percentage of that State shall be considered to be 1.2 percent; and

(ii) is less than 0.8 percent, the allotment percentage of the State shall be considered to be 0.8 percent.

(C) PER CAPITA INCOME.—For purposes of subparagraph (A), per capita income shall be—

(i) determined at 2-year intervals;

(ii) applied for the 2-year period beginning on October 1 of the first fiscal

1 year beginning on the date the determina-
2 tion is made; and

3 (iii) equal to the average of the an-
4 nual per capita incomes for the most re-
5 cent period of 3 consecutive years for
6 which satisfactory data are available from
7 the Department of Commerce at the time
8 the determination is made.

9 (c) DATA AND INFORMATION.—The Secretary shall
10 obtain from each appropriate Federal agency, the most re-
11 cent data and information necessary to determine the al-
12 lotments provided for in subsection (b).

13 (d) REALLOTMENTS.—

14 (1) IN GENERAL.—Any portion of the allotment
15 under subsection (b) to a State that the Secretary
16 determines is not required to carry out State activi-
17 ties approved under section 104, in the period for
18 which the allotment is made available, shall be real-
19 lotted by the Secretary to other States in proportion
20 to the original allotments to the other States.

21 (2) LIMITATIONS.—

22 (A) REDUCTION.—The amount of any re-
23 allotment to which a State is entitled under
24 paragraph (1) shall be reduced to the extent
25 that the allotment exceeds the amount that the

1 Secretary estimates will be used in the State to
 2 carry out State activities approved under sec-
 3 tion 104.

4 (B) REALLOTMENTS.—The amount of the
 5 reduction shall be similarly reallocated among
 6 States for which no reduction in an allotment
 7 or reallocation is required by this subsection.

8 (3) AMOUNTS REALLOTTED.—For purposes of
 9 any other section of this subtitle, any amount real-
 10 lotted to a State under this subsection shall be con-
 11 sidered to be part of the allotment made under sub-
 12 section (b) to the State.

13 (e) DEFINITION.—In this section, the term “State”
 14 includes only the 50 States, the District of Columbia, and
 15 the Commonwealth of Puerto Rico.

16 **SEC. 104. STATE ELIGIBILITY AND APPLICATION REQUIRE-**
 17 **MENTS.**

18 (a) ELIGIBILITY.—To be eligible to receive a grant
 19 under this subtitle, a State shall certify to the Secretary
 20 that the State—

21 (1) has not reduced the scope of any State child
 22 care standards or requirements that were in effect
 23 on January 1, 1995;

24 (2) has not limited the State licensing require-
 25 ments with respect to the types of providers that

1 must obtain licenses in order to provide child care
2 in the State as compared to the types of providers
3 that were required to obtain the licenses on January
4 1, 1995;

5 (3) has not otherwise restricted the application
6 of State child care licensing requirements that were
7 in effect on January 1, 1995;

8 (4) is in compliance with the requirements ap-
9 plicable to the State under the Child Care and De-
10 velopment Block Grant Act of 1990 (42 U.S.C.
11 9858 et seq.); and

12 (5) has, with respect to the fiscal year involved,
13 made available sufficient State matching funds to
14 draw down at least 80 percent of the amount award-
15 ed to the State for the preceding fiscal year under
16 a grant under section 418(a)(2) of the Social Secu-
17 rity Act (42 U.S.C. 618(a)(2)).

18 (b) FEDERAL SHARE.—

19 (1) IN GENERAL.—The Federal share of the
20 cost of the State activities approved under this sec-
21 tion is 90 percent.

22 (2) NON-FEDERAL SHARE.—A State that re-
23 ceives a grant under section 102 shall contribute the
24 non-Federal share of the cost in cash (which may be

1 provided from State or local public sources or
 2 through donations from private entities).

3 (c) APPLICATION.—To be eligible to receive a grant
 4 under this subtitle, a State shall prepare and submit to
 5 the Secretary an application at such time, in such manner,
 6 and containing such information as the Secretary shall re-
 7 quire, including—

8 (1) an assurance that the State will comply
 9 with the requirements applicable to States under
 10 this subtitle; and

11 (2) an assurance that the State will not use
 12 funds received under the grant to supplant or re-
 13 place funds used by the State to improve the quality
 14 or increase the supply of child care as required
 15 under section 658G of the Child Care and Develop-
 16 ment Block Grant Act of 1990 (42 U.S.C. 9858e).

17 **SEC. 105. USE OF FUNDS BY STATES.**

18 A State may use amounts provided under a grant
 19 awarded under this subtitle to the State to—

20 (1) establish a subsidy program to provide
 21 funds to child care providers who are credentialed in
 22 the State (as described in section 2(3));

23 (2) provide assistance to small businesses lo-
 24 cated in the State in establishing and operating child
 25 care programs that may include—

1 (A) technical assistance in the establish-
2 ment of a child care program;

3 (B) assistance for the start-up costs re-
4 lated to a child care program;

5 (C) assistance for the training of child care
6 providers;

7 (D) scholarships for low-income wage earn-
8 ers in the programs;

9 (E) assistance to enable the businesses to
10 provide services to care for sick children or to
11 provide care to school age children; or

12 (F) assistance to enable the businesses to
13 provide care for children with disabilities;

14 (3) improve parental choice through consumer
15 education efforts in the State concerning child care,
16 including the expansion of resource and referral
17 services and improvement of State child care com-
18 plaint systems;

19 (4) establish a scholarship program for child
20 care providers to assist in meeting the educational or
21 training costs associated with accreditation of facili-
22 ties or credentialing of providers (as described in
23 paragraphs (1) and (3) of section 2);

24 (5) expand State-based child care training and
25 technical assistance activities;

1 (6) develop criteria for State recognition of en-
2 tities to accredit facilities, and credential child care
3 providers, in the State, as described in section 2;

4 (7) provide increased rates of reimbursement
5 under Federal or State child care assistance pro-
6 grams for child care that is provided by credentialed
7 child care professionals or at accredited child care
8 centers;

9 (8) provide differential rates of reimbursement
10 under Federal or State child care assistance pro-
11 grams for special needs children;

12 (9) purchase special equipment or supplies or
13 otherwise provide for the payment of other extraor-
14 dinary expenses required for the care of special
15 needs (including disabled) children and the distribu-
16 tion of such equipment or supplies to child care pro-
17 viders serving special needs children;

18 (10) support networks for family child care pro-
19 viders;

20 (11) establish linkages between child care pro-
21 viders;

22 (12) conduct background checks of child care
23 providers; and

24 (13) increase State monitoring of licensed child
25 care facilities in accordance with State law.

1 **SEC. 106. RESERVATION.**

2 The Secretary shall reserve not more than 1.5 per-
3 cent of the amount appropriated under section 107 for a
4 fiscal year to make grants under this subtitle to tribal or-
5 ganizations submitting applications described in section
6 104(c), to be used in accordance with section 105.

7 **SEC. 107. AUTHORIZATION OF APPROPRIATIONS.**

8 There is authorized to be appropriated to carry out
9 this subtitle \$200,000,000 for each of fiscal years 2000
10 through 2004.

11 **Subtitle B—Increased Enforcement**
12 **of State Health and Safety**
13 **Standards**

14 **SEC. 111. ENFORCEMENT OF STATE HEALTH AND SAFETY**
15 **STANDARDS.**

16 (a) IDENTIFICATION OF STATE INSPECTION RATE.—

17 (1) IN GENERAL.—Section 658E(c)(2)(G) of
18 the Child Care and Development Block Grant Act of
19 1990 (42 U.S.C. 9858c(c)(2)(G)) is amended by
20 striking the period and inserting “, and provide the
21 percentage of child care provider inspections re-
22 quired under State law that were completed by the
23 State for each of the 2 preceding fiscal years.”.

24 (2) EFFECTIVE DATE.—The amendment made
25 by paragraph (1) applies to State plans under the
26 Child Care and Development Block Grant Act of

1 1990 (42 U.S.C. 9858 et seq.) on and after Sep-
 2 tember 1, 2000.

3 (b) INCREASED OR DECREASED ALLOTMENTS.—Sec-
 4 tion 658O(b) of the Child Care and Development Block
 5 Grant Act of 1990 (42 U.S.C. 9858m(b)) is amended—

6 (1) in paragraph (1), in the matter preceding
 7 subparagraph (A), by inserting “, subject to para-
 8 graph (5),” after “shall”; and

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

10 “(5) INCREASED OR DECREASED ALLOTMENT
 11 BASED ON STATE INSPECTION RATE.—

12 “(A) INCREASED ALLOTMENT FOR FISCAL
 13 YEARS 2000, 2001, AND 2002.—

14 “(i) IN GENERAL.—Subject to clause
 15 (iii), for fiscal years 2000, 2001, and
 16 2002, the allotment determined for a State
 17 under paragraph (1) for each such fiscal
 18 year shall be increased by an amount equal
 19 to 10 percent of such allotment for the fis-
 20 cal year involved with respect to any
 21 State—

22 “(I) that certifies to the Sec-
 23 retary that the State has not reduced
 24 the scope of any State child care
 25 health or safety standards or require-

ments that were in effect on January
1, 1995; and

“(II) that, with respect to the
preceding fiscal year, had a percent-
age of completed child care provider
inspections (as required to be reported
under section 658E(c)(2)(G)) that
was not less than the target inspec-
tion and enforcement percentage spec-
ified under clause (ii) for the fiscal
year for which the allotment is to be
paid.

“(ii) TARGET INSPECTION AND EN-
FORCEMENT PERCENTAGE.—For purposes
of clause (i)(II), the target inspection and
enforcement percentage is—

“(I) for fiscal year 2000, 75 per-
cent;

“(II) for fiscal year 2001, 80
percent; and

“(III) for fiscal year 2002, 100
percent.

“(iii) PRO RATA REDUCTIONS IF IN-
SUFFICIENT APPROPRIATIONS.—The Sec-
retary shall make pro rata reductions in

the percentage increase otherwise required under clause (i) for a State allotment for a fiscal year as necessary so that the aggregate of all the allotments made under this subsection does not exceed the amount appropriated for that fiscal year under section 658B, and remaining after reservations under subsection (a).

“(B) DECREASED ALLOTMENT FOR FISCAL YEARS 2001 AND 2002.—

“(i) IN GENERAL.—The allotment determined for a State under paragraph (1) for each of fiscal years 2001 and 2002 shall be decreased by an amount that is not less than 2 percent of such allotment for the fiscal year involved (except that such amount shall not be more than the State’s expenditures on administrative costs under this subchapter during the preceding fiscal year), with respect to any State that, with respect to the preceding fiscal year, had a percentage of completed child care provider inspections (as required to be reported under section 658E(c)(2)(G)) that was less than the

1 minimum inspection and enforcement per-
2 centage specified under clause (ii) for the
3 fiscal year for which the allotment is to be
4 paid.

5 “(ii) MINIMUM INSPECTION AND EN-
6 FORCEMENT PERCENTAGE.—For purposes
7 of clause (i), the minimum inspection and
8 enforcement percentage is—

9 “(I) for fiscal year 2001, 50 per-
10 cent; and

11 “(II) for fiscal year 2002, 75
12 percent.

13 “(iii) REQUIREMENT TO EXPEND
14 STATE FUNDS TO REPLACE REDUCTION.—
15 If the allotment determined for a State for
16 a fiscal year is reduced by reason of clause
17 (i), the State shall, during the immediately
18 succeeding fiscal year, expend additional
19 State funds under the State plan funded
20 under this subchapter, in an amount equal
21 to the amount of such reduction. During
22 the succeeding fiscal year, the State shall
23 maintain the level of services provided by
24 the State under this subchapter during the

1 fiscal year for which the determination is
2 made.”.

3 **Subtitle C—Distribution of Infor-**
4 **mation About Quality Child**
5 **Care**

6 **SEC. 121. EXPANSION OF ROLE OF THE DEPARTMENT OF**
7 **HEALTH AND HUMAN SERVICES IN THE COL-**
8 **LECTION AND DISSEMINATION OF INFORMA-**
9 **TION AND TECHNOLOGY.**

10 (a) PROVISION OF INFORMATION.—

11 (1) IN GENERAL.—The Secretary of Health and
12 Human Services, by awarding contracts to qualified
13 entities on a competitive basis, shall—

14 (A) provide technical assistance concerning
15 the importance of the high quality child care to
16 States, units of local government, private non-
17 profit child care organizations, child care
18 credentialing or accreditation entities, child care
19 providers, and parents;

20 (B) collect and disseminate information on
21 the importance of high quality child care to
22 States, units of local government, private non-
23 profit child care organizations, child care
24 credentialing or accreditation entities, child care
25 providers, and parents, including, in partner-

1 ship with the Advertising Council or another
2 professional advertising group, carrying out a
3 public awareness campaign promoting quality
4 child care.

5 (2) PREFERENCE.—In awarding the contracts,
6 the Secretary shall give preference to qualified enti-
7 ties with experience in carrying out the activities de-
8 scribed in paragraph (1).

9 (b) UNIFORMITY IN DATA COLLECTION AND DIS-
10 SEMINATION BY NATIONAL, STATE, AND LOCAL CHILD
11 CARE RESOURCE AND REFERRAL SERVICES.—The Sec-
12 retary of Health and Human Services shall develop a
13 mechanism, for use by organizations including organiza-
14 tions providing the resource and referral services described
15 in section 658G (42 U.S.C. 9858e), for the collection and
16 dissemination of statistical data on the supply and demand
17 for child care on the national, State, and local levels.

18 (c) GRANT PROGRAM.—

19 (1) IN GENERAL.—The Secretary of Health and
20 Human Services shall award competitive grants to
21 child care credentialing or accreditation entities that
22 have been providing credentialing or accreditation
23 services for child care providers for not more than
24 10 years.

1 (2) APPLICATION.—To be eligible to receive a
2 grant under this subsection, a child care
3 credentialing or accreditation entity shall prepare
4 and submit to the Secretary an application at such
5 time, in such manner, and containing such informa-
6 tion as the Secretary shall require.

7 (3) USE OF FUNDS.—Amounts provided under
8 a grant awarded under paragraph (1) shall be used
9 by grantees to refine and evaluate the procedures
10 and methods used by such grantees in accrediting
11 facilities as accredited child care facilities or
12 credentialing individual child care providers as
13 credentialed child care professionals. Such proce-
14 dures and methods shall be designed to ensure that
15 the highest quality child care is provided by the ac-
16 credited child care facilities and credentialed child
17 care professionals, to provide information about the
18 accreditation or credentialing process to providers,
19 and to provide subsidies to needy individuals and or-
20 ganizations to enable such individuals and organiza-
21 tion to participate in the accreditation or
22 credentialing process.

23 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
24 authorized to be appropriated to carry out this section
25 \$15,000,000 for each of fiscal years 2000 through 2004.

1 **TITLE II—EXPANDING PROFES-**
 2 **SIONAL DEVELOPMENT OP-**
 3 **PORTUNITIES**

4 **SEC. 201. CHILD CARE TRAINING INFRASTRUCTURE.**

5 (a) DEFINITIONS.—In this section:

6 (1) CHILD CARE PROVIDER.—The term “child
 7 care provider” has the meaning given the term in
 8 section 101.

9 (2) ELEMENTARY SCHOOL; SECONDARY
 10 SCHOOL.—The terms “elementary school” and “sec-
 11 ondary school” have the meanings given the terms
 12 in section 14101 of the Elementary and Secondary
 13 Education Act of 1965 (20 U.S.C. 8801).

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

18 (4) SECRETARY.—The term “Secretary” means
 19 the Secretary of Health and Human Services.

20 (5) TRAINING SITE.—The term “training site”
 21 means a training site described in subsection (e)(1).

22 (b) GRANTS.—

23 (1) IN GENERAL.—The Secretary shall make
 24 grants to eligible organizations to develop and oper-

1 ate technology-based child care training infrastruc-
 2 tures, to facilitate—

3 (A) the accreditation of facilities as accred-
 4 ited child care facilities and accredited family
 5 child care homes;

6 (B) the credentialing of individuals as
 7 credentialed child care professionals; and

8 (C) the dissemination of child care, child
 9 development, and early childhood education in-
 10 formation and research to child care providers.

11 (2) ORGANIZATIONS GIVEN PRIORITY.—In
 12 awarding grants under this subsection, the Secretary
 13 shall give priority to eligible national organizations
 14 that have established child care training infrastruc-
 15 tures similar in concept and purpose to infrastruc-
 16 tures described in this section.

17 (c) USE OF FUNDS.—An organization that receives
 18 a grant under subsection (b) shall use the funds made
 19 available through the grant to—

20 (1) develop partnerships, to the maximum ex-
 21 tent possible, with elementary schools, secondary
 22 schools, institutions of higher education, Federal,
 23 State, and local government agencies, and private
 24 entities, to share equipment, technical assistance,
 25 and other technological resources, for the develop-

1 ment of the infrastructure described in subsection
2 (b);

3 (2) enter into arrangements with entities for
4 the provision of sites from which the infrastructure
5 will disseminate training;

6 (3) ensure the establishment of at least 2 of the
7 training sites in each State, and additional training
8 sites based on the populations and geographic con-
9 siderations of States;

10 (4) enter into arrangements with child care
11 credentialing or accreditation entities that are recog-
12 nized (as described in section 2(2)) by more than 1
13 State agency or tribal organization, for the develop-
14 ment of child care training to be disseminated
15 through the infrastructure;

16 (5) provide, directly or through a contract
17 (which may for good cause be a sole source con-
18 tract), expertise to convert training courses for dis-
19 tance transmission, provide interactive environments,
20 and conduct registration, testing, electronic storage
21 of information, and other technology-based activities
22 to adapt and enhance training course content con-
23 sistent with the medium of transmission involved
24 through the infrastructure;

1 (6) provide, through a logistical scheduling
 2 mechanism, equitable access to the infrastructure for
 3 all child care credentialing or accreditation entities
 4 described in paragraph (4) that request an oppor-
 5 tunity to disseminate child care training through the
 6 infrastructure and meet the requirements of this sec-
 7 tion;

8 (7) develop and implement a mechanism for
 9 participants in the training to evaluate the infra-
 10 structure, including providing comments on the ac-
 11 cessibility and affordability of the training, and rec-
 12 ommendations for improvements in the training;

13 (8) develop and implement a monitoring system
 14 to provide data on the training provided through the
 15 infrastructure, including data on—

16 (A) the number of facilities and individuals
 17 participating in the training;

18 (B) the number of facilities receiving ac-
 19 creditation (including a repeat accreditation) as
 20 accredited child care facilities, and individuals
 21 receiving credentialing (including a repeat
 22 credentialing) as credentialed child care profes-
 23 sionals, after fulfilling requirements that in-
 24 clude participation in the training;

1 (C) the number of accredited child care fa-
 2 cilities, and credentialed child care profes-
 3 sionals, participating in the training; and

4 (D) the number of sites in which the train-
 5 ing is received, analyzed—

6 (i) by State; and

7 (ii) by location in an urban, suburban,
 8 or rural area; and

9 (9) establish and operate the child care training
 10 revolving fund described in section 202.

11 (d) ELIGIBILITY.—To be eligible to receive the grant,
 12 an organization shall be an organization that—

13 (1) is a private, nonprofit entity that is not—

14 (A) a child care credentialing or accredita-
 15 tion entity;

16 (B) a subsidiary or affiliate of a child care
 17 credentialing or accreditation entity; or

18 (C) an entity that has a subsidiary or affil-
 19 iate that is a child care credentialing or accredi-
 20 tation entity;

21 (2) has experience in developing partnerships
 22 with child care credentialing or accreditation enti-
 23 ties, institutions of higher education, and State and
 24 local governments, for the provision of child care
 25 training;

1 (3) has experience in providing and coordi-
2 nating the provision of child care training to family
3 child care providers and center-based child care pro-
4 viders;

5 (4) is related to child care provider support or-
6 ganizations in 35 or more States, through member-
7 ship in a common organization, affiliation, or an-
8 other mechanism;

9 (5) has experience in working with rural and
10 urban child care provider support organizations and
11 child care providers; and

12 (6) has experience in working with national
13 child care groups and organizations, including Fed-
14 eral government agencies, providers of child care
15 training, child care credentialing or accreditation en-
16 tities, and educational groups.

17 (e) APPLICATION.—To be eligible to receive a grant
18 under subsection (b), an organization shall submit an ap-
19 plication to the Secretary at such time, in such manner,
20 and containing such information as the Secretary may re-
21 quire, including—

22 (1) information describing, and indicating a
23 preliminary count of the number of, the sites from
24 which the infrastructure will disseminate training;

1 (2) an assurance that the organization will re-
2 quire that—

3 (A) each child care credentialing or accred-
4 itation entity that disseminates training
5 through the infrastructure will provide, during
6 at least 60 percent of the dissemination period,
7 an opportunity for participants in the
8 training—

9 (i) to interact with an identified train-
10 er or training leader at the training site; or

11 (ii) to elect to engage in other inter-
12 active training; and

13 (B) no child care credentialing or accredi-
14 tation entity may collect fees for participation
15 in the training that total more than—

16 (i) the cost to the entity for devel-
17 oping, conducting, and providing materials
18 for, the training; minus

19 (ii) the amount that the entity re-
20 ceives under this section or from any other
21 source to develop, conduct, and provide
22 materials for, the training; and

23 (3) information demonstrating that the organi-
24 zation will comply with the requirements of sub-
25 section (f)(2)(A).

1 (f) DEVELOPMENT AND OPERATION OF INFRASTRUC-
2 TURE.—

3 (1) CONTRACTS.—An organization that receives
4 a grant under subsection (b) may use funds made
5 available through the grant to enter into contracts,
6 which may for good cause be sole source contracts,
7 for the development of the technological and
8 logistical aspects of the infrastructure. The organiza-
9 tion shall enter into such a contract with an entity
10 with experience in establishing technology-based
11 interactive educational or training programs.

12 (2) TIME LINES.—

13 (A) BOARD, PERSONNEL, AND REVOLVING
14 FUND.—Not later than 6 months after the date
15 of receipt of the grant, the organization shall—

16 (i) establish a governing board;

17 (ii) establish bylaws to ensure fair
18 representation on the board of entities dis-
19 seminating training through the infrastruc-
20 ture;

21 (iii) appoint a Chief Executive Project
22 Officer to oversee the daily operation of
23 the infrastructure; and

1 (iv) establish and operate the child
2 care training revolving fund described in
3 section 202.

4 (B) TRAINING SITES.—

5 (i) 50 PERCENT OPERATIONAL.—Not
6 later than 3 years after the date of receipt
7 of the grant, the organization shall dis-
8 seminate training at 50 percent of the sites
9 described in the information submitted
10 under subsection (e)(1).

11 (ii) 75 PERCENT OPERATIONAL.—Not
12 later than 4 years after the date of receipt
13 of the grant, the organization shall dis-
14 seminate training at 75 percent of the
15 sites.

16 (iii) 90 PERCENT OPERATIONAL.—Not
17 later than 5 years after the date of receipt
18 of the grant, the organization shall dis-
19 seminate training at 90 percent of the
20 sites.

21 (C) EVALUATION.—The organization shall
22 develop and implement the mechanism for con-
23 ducting evaluations of the infrastructure de-
24 scribed in subsection (c)(7) not later than 3
25 years after the date of receipt of the grant.

1 (g) MANDATORY PARTICIPATION BY FEDERAL DE-
2 PARTMENTS.—The Secretary of Health and Human Serv-
3 ices, the Secretary of Education, and the Secretary of De-
4 fense shall participate in the infrastructure by ensuring
5 that the training disseminated through the infrastructure
6 includes training provided in accordance with curricula de-
7 veloped by their departments (or by contractors for the
8 departments) for providers carrying out activities under
9 the Head Start Act (42 U.S.C. 9831 et seq.), the Safe
10 and Drug-Free Schools and Communities Act of 1994 (20
11 U.S.C. 7101 et seq.), and the Child Care and Development
12 Block Grant Act of 1990 (42 U.S.C. 9858 et seq.), and
13 other relevant curricula developed by the departments (or
14 by contractors for the departments).

15 (h) CORPORATION.—The organization may establish
16 a nonprofit corporation containing the governing board,
17 Chief Executive Project Officer, and personnel, to carry
18 out this section.

19 (i) ADMINISTRATIVE COSTS.—Prior to the date on
20 which the organization disseminates training at 75 percent
21 of the sites described in the information submitted under
22 subsection (e)(1), the organization may use not more than
23 25 percent of the funds made available through the grant
24 to pay for the administrative costs of carrying out this
25 section. Effective on that date, the organization may use

1 not more than 15 percent of the funds to pay for the ad-
 2 ministrative costs.

3 (j) AUTHORIZATION OF APPROPRIATIONS.—There is
 4 authorized to be appropriated to carry out this section
 5 \$50,000,000 for each of fiscal years 2000 through 2005.

6 **SEC. 202. CHILD CARE TRAINING REVOLVING FUND.**

7 (a) ESTABLISHMENT.—

8 (1) IN GENERAL.—The Chief Executive Project
 9 Officer shall use not less than 10 percent of the
 10 funds made available through a grant made under
 11 section 201 during the 5 years after the date of re-
 12 ceipt of the grant to establish and operate a child
 13 care training revolving fund (referred to in this sec-
 14 tion as the “Fund”)—

15 (A) from which the Chief Executive
 16 Project Officer shall make loans to eligible bor-
 17 rowers for the purpose of enabling the persons
 18 to purchase computers, satellite dishes, and
 19 other equipment that will be used to dissemi-
 20 nate training through the infrastructure de-
 21 scribed in section 201; and

22 (B) into which all payments, charges, and
 23 other amounts collected from loans made under
 24 subparagraph (A) shall be deposited notwith-
 25 standing any other provision of law.

1 (2) SEPARATE ACCOUNT.—The Fund shall be
2 maintained as a separate account. Any portion of
3 the Fund that is not required for expenditure shall
4 be invested in obligations of the United States or in
5 obligations guaranteed or insured by the United
6 States.

7 (3) INTEREST EARNED.—The interest earned
8 on the investments shall be credited to and form a
9 part of the Fund.

10 (b) ELIGIBLE BORROWERS.—To be eligible to receive
11 a loan under subsection (a), a borrower shall be a child
12 care provider who seeks to receive training through the
13 infrastructure or an entity that has entered into an ar-
14 rangement with the Chief Executive Project Officer to pro-
15 vide a training site (as defined in section 201) for the in-
16 frastructure.

17 (c) APPLICATION.—To be eligible to receive a loan
18 under subsection (a), a borrower shall submit an applica-
19 tion to the Chief Executive Project Officer at such time,
20 in such manner, and containing such information as the
21 Chief Executive Project Officer, in consultation with the
22 governing board and the chief executive officer of an orga-
23 nization receiving a grant under section 201, may require.
24 At a minimum, the application shall include—

1 (1) an assurance that the person shall use the
 2 equipment funded through the loan to receive or dis-
 3 seminate training through the infrastructure, for
 4 such period as the Secretary may by regulation pre-
 5 scribe; and

6 (2) an assurance that the person shall permit
 7 other persons to use the equipment to receive or dis-
 8 seminate training through the infrastructure, for
 9 such period as the Secretary may by regulation pre-
 10 scribe.

11 (d) LOANS.—In making loans under subsection (a),
 12 the Chief Executive Project Officer shall—

13 (1) to the maximum extent practicable, equi-
 14 tably distribute the loans among borrowers in the
 15 various States, and among borrowers in urban, sub-
 16 urban, and rural areas; and

17 (2) take into consideration the availability to
 18 the borrowers of resources from sources other than
 19 the Fund, including the availability of resources
 20 through the partnerships described in section
 21 201(c)(1).

22 (e) TERMS AND CONDITIONS.—

23 (1) CONDITIONS.—The Chief Executive Project
 24 Officer may make a loan to a borrower under sub-

1 section (a) only if the Chief Executive Project Offi-
 2 cer determines that—

3 (A) the borrower is unable to obtain re-
 4 sources from other sources on reasonable terms
 5 and conditions; and

6 (B) there is a reasonable prospect that the
 7 borrower will repay the loan.

8 (2) TERMS.—A loan made under subsection (a)
 9 shall be—

10 (A) for a term that does not exceed 4
 11 years; and

12 (B) at no interest.

13 (3) COLLATERAL.—The Chief Executive Project
 14 Officer may require any borrower of a loan made
 15 under subsection (a) to provide such collateral as the
 16 Chief Executive Project Officer determines to be
 17 necessary to secure the loan.

18 (4) PROCEDURES AND DEFINITIONS.—Prior to
 19 making loans under subsection (a), the Chief Execu-
 20 tive Project Officer shall establish written proce-
 21 dures and definitions pertaining to defaults and col-
 22 lections of payments under the loans, which shall be
 23 subject to the review and approval of the Secretary.
 24 The governing board and chief executive officer of
 25 the organization involved shall provide to each appli-

1 cant for a loan under subsection (a), at the time ap-
 2 plication for the loan is made, a written copy of the
 3 procedures and definitions.

4 (f) DEFAULTS.—

5 (1) NOTICE.—The Chief Executive Project Offi-
 6 cer shall provide the governing board and the chief
 7 executive officer of the organization at regular inter-
 8 vals written notice of each loan made under sub-
 9 section (a) that is in default and the status of the
 10 loan.

11 (2) ACTION.—

12 (A) NOTIFICATION.—After making reason-
 13 able efforts to collect all amounts payable under
 14 a loan made under subsection (a) that is in de-
 15 fault, the Chief Executive Project Officer shall
 16 notify the governing board and the chief execu-
 17 tive officer of the organization that the loan is
 18 uncollectable or collectible only at an unreason-
 19 able cost. The notification shall include rec-
 20 ommendations for future action to be taken by
 21 the Chief Executive Project Director.

22 (B) INSTRUCTIONS.—On receiving the no-
 23 tification, the governing board and the chief ex-
 24 ecutive officer of the organization shall advise
 25 the Chief Executive Project Officer—

1 (i) to continue with its collection ac-
 2 tivities;

3 (ii) to cancel, adjust, compromise, or
 4 reduce the amount of the loan; or

5 (iii) to modify any term or condition
 6 of the loan, including any term or condi-
 7 tion relating to the time of payment of any
 8 installment of principal, or portion of prin-
 9 cipal, that is payable under the loan.

10 (g) ADMINISTRATION AND ASSISTANCE.—

11 (1) IN GENERAL.—Consistent with section
 12 201(i), the Chief Executive Project Officer shall, out
 13 of funds available in the Fund—

14 (A) pay expenses incurred by the Chief Ex-
 15 ecutive Project Officer in administering the
 16 Fund; and

17 (B) provide competent management and
 18 technical assistance to borrowers of loans made
 19 under subsection (a) to assist the borrowers to
 20 achieve the purposes of the loans.

21 (2) ASSISTANCE BY THE SECRETARY.—The
 22 Secretary shall provide to the chief executive officer
 23 of the organization and the Chief Executive Project
 24 Officer such management and technical assistance as
 25 the chief executive officer of the organization and

1 the Chief Executive Project Officer may request in
 2 order to carry out the provisions of this section.

3 (h) REGULATIONS.—The Secretary may prescribe
 4 such regulations as may be necessary to carry out the ob-
 5 jectives of this section, including regulations involving re-
 6 porting and auditing.

7 **TITLE III—EXPANDING YOUTH**
 8 **DEVELOPMENT OPPORTUNI-**
 9 **TIES DURING NON-SCHOOL**
 10 **HOURS**

11 **SEC. 301. PURPOSE.**

12 The purpose of this title is to establish programs that
 13 provide care for school-age youth during non-school hours,
 14 in order to create activities for youth that better enable
 15 youth to develop the skills and competencies that are nec-
 16 essary to successfully transition from childhood to adult-
 17 hood.

18 **SEC. 302. DEFINITIONS.**

19 In this title:

20 (1) ASSISTANT SECRETARY.—The term “As-
 21 sistant Secretary” means the Assistant Secretary for
 22 Children and Families of the Department of Health
 23 and Human Services.

24 (2) NON-SCHOOL HOURS PROGRAM.—The term
 25 “non-school hours program” means a program, such

1 as a youth development program, that provides care
 2 for youth during non-school hours.

3 (3) PROTECTIVE FACTORS.—The term “protec-
 4 tive factors” means research-based factors or activi-
 5 ties that enable youth to resist high-risk behaviors
 6 that may produce negative health or social outcomes.

7 (4) RISK FACTORS.—The term “risk factors”
 8 means research-based precursors that predict an in-
 9 creased probability of developing high-risk behavior.

10 (5) YOUTH.—The term “youth” means an indi-
 11 vidual who is attending an elementary or secondary
 12 school, as defined in section 14101 of the Elemen-
 13 tary and Secondary Education Act of 1965 (20
 14 U.S.C. 8801).

15 (6) YOUTH DEVELOPMENT PROGRAM.—The
 16 term “youth development program” means a pro-
 17 gram that—

18 (A) in order to enable youth to deal suc-
 19 cessfully with the challenges of adolescence and
 20 prepare the youth for the independence and re-
 21 sponsibilities of being parents, workers, and
 22 citizens, helps the youth to develop—

23 (i) social competencies, such as work
 24 and family life skills, problem-solving
 25 skills, and communication skills;

1 (ii) physical competencies, such as
 2 physical conditioning, endurance, and an
 3 appreciation for and strategies to achieve
 4 lifelong physical health and fitness;

5 (iii) emotional competencies, such as a
 6 sense of personal identity, self-confidence,
 7 autonomy, and the ability to resist negative
 8 peer pressure;

9 (iv) moral competencies, such as char-
 10 acter development, personal values, ethics,
 11 and a sense of responsibility and citizen-
 12 ship (including participation in civic life
 13 and community service); and

14 (v) cognitive competencies, such as
 15 knowledge, reasoning ability, creativity,
 16 and a lifelong commitment to learning and
 17 achievement;

18 (B) conducts activities that (excluding aca-
 19 demic activities conducted outside the classroom
 20 and tutoring) have a primarily nonacademic
 21 focus;

22 (C) employs primarily active and experi-
 23 mental learning methods;

1 (D) builds relationships between adults
 2 who are positive adult role models and youth in
 3 a non-school hours program setting; and

4 (E) promotes the competencies described
 5 in subparagraph (A) through group or one-to-
 6 one activities, which may include activities au-
 7 thorized under section 308(b).

8 **SEC. 303. ESTABLISHMENT OF PROGRAM.**

9 (a) GRANTS.—The Assistant Secretary shall award
 10 grants to eligible States, from allotments made under sec-
 11 tion 304, to enable the eligible States to award grants to
 12 entities to pay for the Federal share of the cost of estab-
 13 lishing quality non-school hours programs.

14 (b) FEDERAL SHARE.—

15 (1) IN GENERAL.—The Federal share of the
 16 cost described in subsection (a) shall be 80 percent.

17 (2) NON-FEDERAL SHARE.—The non-Federal
 18 share of the cost described in subsection (a) may be
 19 contributed in cash or in kind, fairly evaluated, in-
 20 cluding facilities, equipment, or services (which may
 21 be provided from State or local public sources or
 22 through donations from private entities). For pur-
 23 poses of this paragraph the term “facilities” includes
 24 the use of facilities, but the term “equipment”

1 means donated equipment and not the use of equip-
 2 ment.

3 **SEC. 304. STATE ALLOTMENTS.**

4 (a) RESERVATION.—The Assistant Secretary shall re-
 5 serve not more than $\frac{1}{2}$ of 1 percent of the amount appro-
 6 priated under section 412 for each fiscal year for pay-
 7 ments to Guam, American Samoa, the United States Vir-
 8 gin Islands, and the Commonwealth of the Northern Mar-
 9 iana Islands, to be allotted in accordance with their re-
 10 spective needs for assistance under this title.

11 (b) ALLOTMENTS.—From the amount appropriated
 12 under section 412 for each fiscal year and remaining after
 13 amounts are reserved under subsection (a), the Assistant
 14 Secretary shall allot to each State that has an application
 15 approved under section 305, an amount determined under
 16 subsection (c).

17 (c) ALLOTMENT FORMULA.—

18 (1) IN GENERAL.—Subject to paragraph (2),
 19 the Assistant Secretary shall allot to each State an
 20 amount equal to the sum of—

21 (A) an amount that bears the same ratio
 22 to 50 percent of the remainder described in
 23 subsection (b) as the number of children and
 24 youth who are age 5 through 17 in the State

1 bears to the number of such children and youth
2 in all States; and

3 (B) an amount that bears the same ratio
4 to 50 percent of the remainder as the number
5 of children and youth in the State who are re-
6 ceiving free or reduced price lunches under the
7 school lunch program established under the Na-
8 tional School Lunch Act (42 U.S.C. 1751 et
9 seq.) bears to the number of such children and
10 youth in all States.

11 (2) MINIMUM ALLOTMENT.—No State shall re-
12 ceive an allotment under paragraph (1) for a fiscal
13 year in an amount that is less than $\frac{1}{2}$ of 1 percent
14 of the total amount appropriated for the fiscal year
15 under section 412.

16 (d) DATA AND INFORMATION.—The Assistant Sec-
17 retary shall obtain from each appropriate Federal agency,
18 the most recent data and information necessary to deter-
19 mine the allotments provided for in this section.

20 (e) REALLOTMENTS.—

21 (1) IN GENERAL.—Any portion of the allotment
22 to a State that is not used for activities under sec-
23 tion 308 or subsection (g), in the fiscal year for
24 which the allotment is made available, shall be real-
25 lotted by the Assistant Secretary to other States in

1 proportion to the original allotments to the other
2 States.

3 (2) LIMITATIONS.—

4 (A) REDUCTION OF REALLOTMENT
5 AMOUNT.—The amount of any reallotment to
6 which a State is entitled under paragraph (1)
7 shall be reduced to the extent that the allot-
8 ment exceeds the amount that the Assistant
9 Secretary estimates will be used by the State or
10 entities in the State to carry out activities
11 under section 308 or subsection (g).

12 (B) REALLOTMENT OF THE REDUCTION.—

13 The amount of any reduction under subpara-
14 graph (A) shall be reallocated among all other
15 States for which no reduction in an allotment
16 or reallotment is required by this subsection.

17 (3) AMOUNTS REALLOTTED.—For purposes of
18 this title, any amount reallocated to a State under
19 this subsection from an allotment made for a fiscal
20 year shall be considered to be part of the allotment
21 made under subsection (b) to the State for the fol-
22 lowing fiscal year.

23 (f) SUPPLEMENT NOT SUPPLANT.—Amounts re-
24 ceived under this section shall be used to supplement and

1 not supplant other Federal, State, and local public funds
 2 expended to provide non-school hours programs.

3 (g) ADMINISTRATIVE COSTS.—A State that receives
 4 a grant under this title may use—

5 (1) not more than 5 percent of the funds made
 6 available through the grant to carry out training and
 7 technical assistance activities under this title; and

8 (2) not more than an additional 10 percent of
 9 the funds to pay for other costs associated with ad-
 10 ministering activities under this title.

11 (h) DEFINITION.—In this section, the term “State”
 12 means the 50 States, the District of Columbia, and the
 13 Commonwealth of Puerto Rico.

14 **SEC. 305. STATE APPLICATION.**

15 (a) IN GENERAL.—To be eligible for a grant under
 16 this title, a State shall submit an application to the Assist-
 17 ant Secretary at such time, in such manner, and accom-
 18 panied by such information as the Assistant Secretary
 19 may reasonably require.

20 (b) CONTENTS.—Each application submitted pursu-
 21 ant to subsection (a) shall contain—

22 (1) such information as the Assistant Secretary
 23 determines is necessary to ensure that the grant will
 24 be distributed and used in accordance with this title;
 25 and

1 (2) information designating administrative re-
 2 gions (in which the administration of Federal or
 3 State programs is carried out), or political subdivi-
 4 sions, of the State as regions to which funds will be
 5 allocated under section 306.

6 **SEC. 306. LOCAL ALLOCATIONS AND GRANTS.**

7 (a) **ALLOCATIONS.**—From the funds made available
 8 to a State under section 304(b) for each fiscal year and
 9 not used under section 304(g), the State shall allocate to
 10 each region designated under section 305(b)(2) an amount
 11 equal to the sum of—

12 (1) an amount that bears the same ratio to 50
 13 percent of the remainder as the number of children
 14 and youth who are age 5 through 17 in the region
 15 bears to the number of such children and youth in
 16 all regions of the State; and

17 (2) an amount that bears the same ratio to 50
 18 percent of the remainder as the number of children
 19 and youth in the region who are receiving free or re-
 20 duced price lunches under the school lunch program
 21 established under the National School Lunch Act
 22 (42 U.S.C. 1751 et seq.) bears to the number of
 23 such children and youth in all regions of the State.

24 (b) **ALLOCATION DATA AND INFORMATION.**—The
 25 State shall obtain from each appropriate Federal or State

1 agency, the most recent data and information necessary
2 to determine the allocations provided for in this section.

3 (c) REALLOCATIONS.—

4 (1) IN GENERAL.—Any portion of the allocation
5 to a region that is not used for activities under sec-
6 tion 308, in the fiscal year for which the allocation
7 is made available, shall be reallocated by the State
8 to other regions in proportion to the original alloca-
9 tions.

10 (2) LIMITATIONS.—

11 (A) REDUCTION OF REALLOCATION
12 AMOUNT.—The amount of any reallocation to
13 which a region is entitled under paragraph (1)
14 shall be reduced to the extent that the alloca-
15 tion exceeds the amount that the State esti-
16 mates will be used by entities in the region to
17 carry out activities under section 308.

18 (B) REALLOCATION OF THE REDUC-
19 TION.—The amount of any reduction under
20 subparagraph (A) shall be reallocated among
21 other regions for which no reduction in an allo-
22 cation or reallocation is required by this sub-
23 section.

24 (3) AMOUNTS REALLOCATED.—For purposes of
25 this title, any amount reallocated to a region under

1 this subsection from an allocation made for a fiscal
 2 year shall be considered to be part of the allocation
 3 made under subsection (a) to the region for the fol-
 4 lowing fiscal year.

5 (d) GRANTS.—The State shall use the funds allocated
 6 to each region under subsection (a) to award grants, on
 7 a competitive basis, to entities in that region.

8 (e) PREFERENCE.—In awarding a grant under sub-
 9 section (d), the State shall give preference to an entity
 10 that provides an assurance that the entity will use the
 11 funds made available through the grant to carry out a
 12 non-school hours program that will—

13 (1) have activities that are designed to remove
 14 barriers to the availability of non-school hours child
 15 care; and

16 (2) coordinate resources from public and pri-
 17 vate entities to achieve a cohesive network consisting
 18 of a variety of activities for youth.

19 (f) SUPPLEMENT NOT SUPPLANT.—Amounts re-
 20 ceived under this section shall be used to supplement and
 21 not supplant other Federal, State, and local public funds
 22 expended to provide non-school hours programs.

23 **SEC. 307. LOCAL APPLICATION.**

24 (a) IN GENERAL.—An entity within a region that de-
 25 sires to receive a grant under section 306 shall submit

1 an application to the State at such time, in such manner,
 2 and accompanied by such information as the State may
 3 require.

4 (b) CONTENTS.—Each application submitted pursu-
 5 ant to subsection (a) shall contain—

6 (1) a statement that demonstrates that the en-
 7 tity maintains co-operative agreements with a broad
 8 range of community entities that provide direct or
 9 indirect services to youth; and

10 (2) such information as the State determines is
 11 necessary to ensure that the allocation will be dis-
 12 tributed and used in accordance with this title.

13 **SEC. 308. USE OF GRANT FUNDS.**

14 (a) PROGRAM REQUIREMENTS.—Funds made avail-
 15 able through a grant received under this title for a non-
 16 school hours program shall be used by an entity to pay
 17 for activities that—

18 (1) meet the child care needs of working par-
 19 ents during non-school hours, including the hours
 20 before and after school, weekends, school holidays,
 21 vacation periods, and other non-school hours;

22 (2) address at least 2 of the competencies de-
 23 scribed under paragraph (6)(A) of section 302;

24 (3) are designed to reduce risk factors;

1 (4) are designed to increase protective factors;
 2 and

3 (5) are designed to assist youth in acquiring
 4 skills and competencies necessary to make a success-
 5 ful transition from childhood to adulthood.

6 (b) AUTHORIZED ACTIVITIES.—Funds made avail-
 7 able through a grant received under this title may be used
 8 by an entity for activities for youth, including activities
 9 that focus on or promote—

- 10 (1) leadership development;
- 11 (2) mentoring;
- 12 (3) crime and delinquency prevention;
- 13 (4) community service or volunteerism;
- 14 (5) literacy;
- 15 (6) involvement in youth groups;
- 16 (7) sports and recreation;
- 17 (8) peer counseling and teaching;
- 18 (9) the arts;
- 19 (10) character development;
- 20 (11) prevention of violence, including domestic
- 21 violence;
- 22 (12) mediation skills training;
- 23 (13) drug abuse prevention;
- 24 (14) alcohol education;
- 25 (15) parenting skills;

1 (16) camping and environmental education;

2 (17) ethnic or cultural enrichment; and

3 (18) tutoring and academic enrichment.

4 (c) LIMITATION.—

5 (1) LOW-INCOME YOUTH.—Each entity that re-
 6 ceives a grant under this title shall use not less than
 7 50 percent of the funds made available through the
 8 grant to subsidize the cost of activities described in
 9 subsection (b) for youth who are children of families
 10 that meet the income eligibility guidelines for free or
 11 reduced price lunches under section 9(b) of the Na-
 12 tional School Lunch Act (42 U.S.C. 1758(b)).

13 (2) INFORMATION.—An entity that receives a
 14 grant under this title shall be considered to be a per-
 15 son directly connected with the administration of a
 16 Federal education program for purposes of section
 17 9(b)(2)(C)(iii)(II)(aa) of the National School Lunch
 18 Act (42 U.S.C. 1758(b)(2)(C)(iii)(II)(aa)). A school
 19 serving youth who are receiving services under this
 20 title from the entity shall provide information to the
 21 entity on the income eligibility status of the youth
 22 who are children described in section 9(b)(2)(C)(iv)
 23 of such Act (42 U.S.C. 1758(b)(2)(C)(iv)), in ac-
 24 cordance with that section, to enable the entity to
 25 meet the requirements of paragraph (1).

1 **SEC. 309. FEDERAL ADMINISTRATION; DUTIES OF THE AS-**
2 **SISTANT SECRETARY.**

3 (a) MONITORING AND EVALUATION.—The Assistant
4 Secretary shall develop and establish a system for moni-
5 toring and evaluating the effectiveness of activities funded
6 under this title.

7 (b) COORDINATION.—The Assistant Secretary shall
8 consult with the heads of appropriate Federal agencies,
9 including the Administrator of the Office of Juvenile Jus-
10 tice and Delinquency Prevention, and other Federal offi-
11 cers carrying out Federal non-school hours programs, to
12 ensure effective coordination of activities funded under
13 this title with other Federal programs serving youth and
14 families.

15 (c) TRAINING AND TECHNICAL ASSISTANCE.—The
16 Assistant Secretary shall develop and establish a system
17 for providing training and technical assistance to States
18 and local entities to increase their capacity to provide
19 quality non-school hours programs.

20 (d) NONCOMPLIANCE.—If the Assistant Secretary de-
21 termines, based on a review of the annual reports, audits,
22 or other documentation required under this title, that a
23 State or an entity that receives a grant under this title
24 is not complying with the requirements of this title, the
25 Assistant Secretary shall—

1 (1) inform the State or entity of the deficiencies
2 that need correction;

3 (2) provide appropriate training and technical
4 assistance designed to correct the deficiencies and
5 ensure compliance with the requirements; and

6 (3) initiate actions to terminate funding to the
7 State or an entity under this title if, after a reason-
8 able period of time, the State or entity has not made
9 substantial efforts to correct the deficiencies and
10 comply with the requirements.

11 **SEC. 310. STATE ADMINISTRATION; DUTIES OF THE STATES.**

12 (a) DESIGNATION OF STATE ENTITY.—In order for
13 a State to receive a grant under this title, the Governor
14 of the State shall establish or designate an entity to ad-
15 minister the activities carried out in the State under this
16 title.

17 (b) YOUTH DEVELOPMENT INPUT.—The State shall
18 establish a mechanism to regularly receive advice and
19 input from a representative mix of individuals and organi-
20 zations that provide services under this title to youth, or
21 receive services under this title, to improve the effective-
22 ness and increase coordination of non-school hours pro-
23 grams under this title in the State.

24 (c) REVIEW AND COMPLIANCE.—

1 (1) MONITORING OPERATIONS.—The State
2 shall have primary responsibility for ensuring that
3 the grant is administered in compliance with this
4 title.

5 (2) TECHNICAL ASSISTANCE.—The State shall
6 provide technical assistance related to the develop-
7 ment and implementation of non-school hours pro-
8 grams receiving grants under this title.

9 (3) NONCOMPLIANCE.—If the State determines,
10 based on a review of the annual reports, audits, or
11 other documentation required under this title, that
12 an entity carrying out an activity funded by this title
13 is not complying with the requirements of this title,
14 the State shall—

15 (A) inform the entity of the deficiencies
16 that need correction;

17 (B) provide appropriate training and tech-
18 nical assistance designed to correct the defi-
19 ciencies and ensure compliance with the re-
20 quirements; and

21 (C) initiate actions to terminate funding to
22 the entity under this title if, after a reasonable
23 period of time, the entity has not made sub-
24 stantial efforts to correct the deficiencies and
25 comply with the requirements.

1 (d) ANNUAL REPORT AND AUDIT.—

2 (1) IN GENERAL.—Each State shall, not later
3 than 120 days after the end of each fiscal year of
4 the State, prepare and submit to the Assistant Sec-
5 retary an annual report, in such manner and con-
6 taining such information as the Assistant Secretary
7 may reasonably require to determine compliance
8 with this title.

9 (2) CONTENTS.—The report described in para-
10 graph (1) shall include—

11 (A) information on the activities funded in
12 the State under this title during the fiscal year;
13 and

14 (B) the extent to which the activities fund-
15 ed in the State have helped youth develop the
16 competencies described in paragraph (6) of sec-
17 tion 302.

18 (3) AUDIT.—Together with each report sub-
19 mitted under this section, the State shall submit the
20 findings of an independent audit conducted in ac-
21 cordance with chapter 75 of title 31, United States
22 Code, concerning such activities.

23 **SEC. 311. COORDINATION WITH OTHER PROGRAMS.**

24 Activities that receive funding under this title shall
25 be coordinated with programs and activities that receive

1 funding under the Safe and Drug-Free Schools and Com-
 2 munities Act of 1994 (20 U.S.C. 7101 et seq.) or the 21st
 3 Century Community Learning Centers Act (20 U.S.C.
 4 8241 et seq.).

5 **SEC. 312. AUTHORIZATION OF APPROPRIATIONS.**

6 (a) IN GENERAL.—There is authorized to be appro-
 7 priated to carry out this title—

8 (1) \$500,000,000 for fiscal year 2000;

9 (2) \$600,000,000 for fiscal year 2001;

10 (3) \$700,000,000 for fiscal year 2002;

11 (4) \$800,000,000 for fiscal year 2003; and

12 (5) \$1,000,000,000 for fiscal year 2004.

13 (b) AVAILABILITY OF FUNDS.—Subject to sections
 14 304(e) and 306(c), no State or entity that receives funds
 15 during a fiscal year may expend the funds after the end
 16 of the fiscal year.

17 **TITLE IV—EXPANDING CHILD**
 18 **CARE SUBSIDY FOR LOW-IN-**
 19 **COME FAMILIES**

20 **SEC. 401. AUTHORIZATION OF APPROPRIATIONS.**

21 Section 658B of the Child Care and Development
 22 Block Grant Act of 1990 (42 U.S.C. 9858) is amended
 23 by striking “\$1,000,000,000” and inserting
 24 “\$2,000,000,000”.

1 **SEC. 402. APPLICATION AND PLAN.**

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

5 (1) in paragraph (2), by striking subparagraph
6 (H) and inserting the following:

7 “(H) Provide an assurance that if the
8 State uses an automated system described in
9 section 658K(a)(3), the State will ensure that
10 the system—

11 “(i) if used to provide payment for
12 child care services, operates in a manner
13 that ensures prompt and accurate payment
14 of child care providers; and

15 “(ii) does not limit parental choice.”;

16 (2) in paragraph (3)(D)—

17 (A) by striking “a substantial portion” and
18 inserting “not less than 70 percent”; and

19 (B) by striking “described in paragraph
20 (2)(H)” and inserting “receiving assistance
21 under a State program under part A of title IV
22 of the Social Security Act (42 U.S.C. 601 et
23 seq.), families attempting to transition off the
24 assistance program through work activities, and
25 families that are at risk of becoming dependent
26 on the assistance program”;

1 (3) in paragraph (4)(A)—

2 (A) by inserting “, of the type chosen by
3 the parents of the children,” after “comparable
4 child care services”; and

5 (B) by adding at the end the following:
6 “To ensure maximum parental choice, the State
7 plan shall provide that the rates for the State
8 shall be determined under separate rate sched-
9 ules dependent upon—

10 “(i) the age of the child served;

11 “(ii) the child care setting;

12 “(iii) the special needs of the child;

13 and

14 “(iv) the geographic location of the
15 services within a State.”; and

16 (4) in paragraph (5)—

17 (A) by striking “The” and inserting the
18 following:

19 “(A) IN GENERAL.—The”; and

20 (B) by inserting after subparagraph (A)
21 (as designated in subparagraph (A)) the fol-
22 lowing:

23 “(B) APPLICATION OF COPAYMENT.—The
24 State plan shall provide that, if the State pro-
25 vides to a family a subsidy authorized under

1 this subchapter that is less than 85 percent of
 2 the applicable market rate determined under
 3 paragraph (4) and also requires a copayment
 4 from the family to meet the cost sharing re-
 5 quirement of subparagraph (A), the State shall
 6 reduce the amount of the copayment by the
 7 amount of the difference between the market
 8 rate and the subsidy.”.

9 **SEC. 403. AUTOMATED SYSTEMS.**

10 Section 658K(a) of the Child Care and Development
 11 Block Grant Act of 1990 (42 U.S.C. 9858i(a)) is amended
 12 by adding at the end the following:

13 “(3) AUTOMATED SYSTEMS.—A State that re-
 14 ceives funds to carry out this subchapter may use an
 15 automated system, including an electronic benefit
 16 transfer system—

17 “(A) for monitoring or tracking child care
 18 attendance or otherwise conducting data collec-
 19 tion under this subchapter;

20 “(B) as a means of ensuring prompt and
 21 accurate payment for child care services under
 22 this subchapter; or

1 “(C) for other purposes that increase the
2 efficiency of the State in administering the
3 funds.”.

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