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114TH CONGRESS
1ST SESSION

H. R. 3542

To provide support for pre-kindergarten education through an Early Education Trust Fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 2015

Mr. DELANEY introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To provide support for pre-kindergarten education through an Early Education Trust Fund, and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Early Learning Act of 2015".

SEC. 2. EXPENDITURES FOR PRE-KINDERGARTEN EDUCATION.

(a) IN GENERAL.—Not later than August 15 of each year, beginning with 2018, from amounts in the Early

Education Trust Fund established by section 3, the Secretary of Education (in this section referred to as the ''Secretary'') shall award to the State pre-kindergarten agency for each State the amount estimated under subsection (b)(1)(A) for such State and year, subject to paragraphs (1)(A) and (2) of subsection (d).

(b) CONDITIONS FOR AWARDS.—Amounts may only be awarded under subsection (a) to a State pre-kindergarten agency for a State for a year if the head of such agency—

(1) submits to the Secretary—

(A) not later than June 15 of such year, an estimate of the amount described in paragraph (1) of subsection (c) for such State and year; and

(B) not later than November 1 of such year, for each enrolled 4-year-old in such State, the number of hours for which such 4-year-old is enrolled at a pre-kindergarten program in such State for the school year beginning in such year; and

(2) provides such assurances as the Secretary may require that—

(A) such amounts will be used only to support pre-kindergarten programs;

(B) the State will expend for pre-kindergarten programs, during the 1-year period beginning on August 15 of such year not less than the amount expended by the State for such programs during the 1-year period beginning on August 15 of the previous year; and

(C) each resident of the State who is 4 years old on October 1 of such year has the opportunity to enroll in a free pre-kindergarten program.

(c) AMOUNT DESCRIBED.—

(1) IN GENERAL.—The amount described in this paragraph is, with respect to a State and a year, the sum of the products determined under paragraph (2) for all enrolled 4-year-olds in the State for the year.

(2) PRODUCT DETERMINED.—The product determined under this paragraph for an enrolled 4-year-old for a year is the product of—

(A) $5 (adjusted annually by the Secretary of Education for inflation, beginning with 2019, on the basis of the consumer price index for all urban consumers); and

(B) the number of hours reported under subsection (b)(1)(B) for such enrolled 4-year-old for the school year beginning in such year (not to exceed 1,600).

(d) ADJUSTMENTS TO PAYMENTS.—

(1) RECONCILIATION OF PAYMENT.—For each State pre-kindergarten agency for a year:

(A) OVERPAYMENT.—If the amount awarded under subsection (a) is greater than the amount described in paragraph (1) of subsection (c), the amount to be awarded under subsection (a) for the following year shall be reduced by the difference between such amounts.

(B) UNDERPAYMENT.—If the amount awarded under subsection (a) is less than the amount described in paragraph (1) of subsection (c), not later than December 31 of such year, from amounts in the Early Education Trust Fund established by section 3, the Secretary shall award to such State pre-kindergarten agency the difference between such amounts, subject to paragraph (2).

(2) INSUFFICIENT FUNDS.—If, as of a date, the amounts available to be awarded on such date from the Early Education Trust Fund are less than the amounts to be awarded on such date under this sec-

tion without regard to this paragraph, the Secretary shall ratably reduce the amounts to be awarded.

(e) DEFINITIONS.—In this section:

(1) ENROLLED 4-YEAR-OLD.—The term ''enrolled 4-year-old'' means, with respect to a year, an individual who, as of October 1 of such year—

(A) is 4 years old; and

(B) is enrolled at a pre-kindergarten program for at least 900 hours for the school year beginning in such year.

(2) PRE-KINDERGARTEN PROGRAM.—The term ''pre-kindergarten program'' means a program that is—

(A) offered by a nonprofit or governmental entity;

(B) designed to provide pre-kindergarten education for at least 900 hours during a school year; and

(C) accredited by the State pre-kindergarten agency for the State in which such program operates or by another accrediting entity approved by such State.

(3) STATE PRE-KINDERGARTEN AGENCY.—The term ''State pre-kindergarten agency'' means, with

respect to a State, the agency responsible for oversight of pre-kindergarten education in the State.

SEC. 3. EARLY EDUCATION TRUST FUND.

(a) CREATION OF TRUST FUND.—There is hereby established in the Treasury of the United States a trust fund to be known as the ‘‘Early Education Trust Fund’’, consisting of such amounts as may be appropriated or credited to such Trust Fund as provided in this section.

(b) TRANSFER TO TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—There are hereby appropriated to the Early Education Trust Fund amounts equivalent to the taxes received in the Treasury under section 59A of the Internal Revenue Code of 1986 (relating to surtax for Early Education Trust Fund).

(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Early Education Trust Fund shall be available, without further appropriation, to carry out section 2.

(d) ADMINISTRATIVE PROVISIONS.—

(1) TRANSFER OF AMOUNTS.—The amounts appropriated by subsection (b) shall be transferred at least monthly from the general fund of the Treasury to the Early Education Trust Fund on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in such subsection. Proper adjustments shall be made in the amounts subse-

quently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(2) MANAGEMENT.—The Early Education Trust Fund shall be managed under the rules specified in section 9602 of the Internal Revenue Code of 1986.

SEC. 4. SURTAX FOR EARLY EDUCATION TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after part VI the following new part:

"PART VII—SURTAX FOR EARLY EDUCATION TRUST FUND

"SEC. 59A. SURTAX FOR EARLY EDUCATION TRUST FUND.

"(a) IMPOSITION OF TAX.—In the case of a taxpayer other than a corporation and an estate or trust, there is hereby imposed (in addition to any other tax imposed by this subtitle) a tax equal to 1.5 percent of so much of the adjusted gross income of the taxpayer as exceeds $500,000.

"(b) NOT TREATED AS TAX IMPOSED BY THIS CHAPTER FOR CERTAIN PURPOSES.—The tax imposed under this section shall not be treated as tax imposed by this chapter for purposes of determining the amount of any credit under this chapter or for purposes of section 55.''.

(b) CLERICAL AMENDMENT.—The table of parts for subchapter A of chapter 1 of such Code is amended by inserting after the item relating to part VI the following new item:

''PART VII. SURTAX FOR EARLY EDUCATION TRUST FUND.''.

(c) SECTION 15 NOT TO APPLY.—The amendment made by subsection (a) shall not be treated as a change in a rate of tax for purposes of section 15 of the Internal Revenue Code of 1986.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2016.

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