



**Head Start Reauthorization:
A Preliminary Analysis of H.R. 2210, the “School Readiness Act of 2003”
(As passed by the House Committee on Education and Workforce on June 19, 2003)**

By Rachel Schumacher, Jennifer Mezey, and Mark Greenberg

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This year, Congress is scheduled to reauthorize Head Start, a federal-to-local grant program for the provision of early childhood education and comprehensive services, including health, nutrition, parental involvement, social, and other services, for low-income preschool children and their families. On May 22nd, Representative Michael Castle (R-Delaware), the Chairman of the Subcommittee on Education Reform, House Committee on Education and the Workforce, filed the first reauthorization bill of the process. On June 12th, the Subcommittee passed a substitute version of that original legislation and made further amendments. On June 19th, the Committee passed the final bill on a 27-20 party line vote.

This analysis provides section-by-section details on what the bill proposes, noting where questions remain about the meaning and intent of the language. Note that this is a preliminary analysis, which we will revise as more information about the bill becomes available.

This analysis includes:

- An overview summary of the provisions of H.R. 2210, as amended (pages 1-5);
- A table of contents for this analysis of Title I and Title II of H.R. 2210 (pages 6-7);
- Section-by-section analysis of Title I of the bill reauthorizing and amending current Head Start law (pages 8-26); and
- An analysis of the provisions of the state demonstration program in Title II (pages 27-41).

Overview of Amended H.R. 2210

H.R. 2210 contains two titles. Title I would make a set of changes generally applicable to Head Start programs. Title II would allow no more than eight states to apply directly to the Secretary of Health and Human Services (hereafter called the Secretary) to receive Head Start funds in order to operate state or local area demonstration programs. Only a limited set of Head Start requirements would apply to those programs. Therefore, any amendment made by Title I to the current Head Start Act does not apply to a Title II state program unless Title II expressly makes

it applicable. In reading the rest of this analysis, readers should keep in mind that the Title I provisions would apply only in states without demonstration programs; the only Title I requirements applicable in states with demonstration programs are the ones specified in Title II. Similarly, current statutory and regulatory provisions governing the Head Start program would not apply to state programs under Title II unless explicitly stated in the bill.

Title I

Title I would reauthorize Head Start through fiscal year 2008. Based on our preliminary analysis, the major new provisions of Title I are:

- **Increased teacher formal education qualifications:** The bill would provide that:
 - 50 percent of center-based teachers would have to have at least a baccalaureate degree or higher in early childhood education or one in a related field with experience in teaching young children by September 30, 2008; and
 - Within three years of the enactment of the bill, all new teachers hired for Head Start programs would have to have at least an associate degree in early childhood education or one in a related field with experience in teaching young children, or be currently enrolled in a program to earn an associate degree in early childhood education within three years from the date of hire.
- **Expansion of the role of federally funded state offices that promote collaboration between Head Start programs and other programs that serve preschool children:** The bill would require the Secretary to fund collaboration grants in each state that are currently optional, would make the list of entities with which collaboration should occur more specific, and would add requirements that the state director of collaboration develop strategic outreach and school readiness plans at the state level. The bill would also discontinue requirements for state Head Start Association involvement in selecting the state collaborator.
- **Prioritized education services and performance measures:** The bill would insert language emphasizing prereading, premathematics, and language skills as a priority focus of Head Start programs, and as key educational standards by which performance of grantees would be measured.
- **Increased requirements for programs seeking to maintain Head Start funding:** The bill would add a provision that in order to be designated a Head Start agency, a local grantee would have to establish goals for improving the school readiness of participating children, including: A) educational instruction in prereading, premathematical, and language skills, and B) the provision of health, educational, nutritional, social, and other services. To receive subsequent funding awards, grantees would need to demonstrate that they had met the established goals. The bill would also require that no prior notification be provided to programs receiving monitoring visits.
- **Increased focus on the needs of homeless children and families for Head Start services:** The bill would require the Secretary to promulgate regulations on removing barriers to Head

Start services for homeless children, and would add consideration of the needs of homeless children in the bill's training and technical assistance provisions.

- **Allows faith-based programs receiving Head Start funds to discriminate in employment.** The bill would add language that exempts religious corporations, associations, and educational institutions or societies receiving Head Start funds from compliance with the non-discrimination provisions of the Head Start Act with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution or society of its activities.

Title II

Title II would add a provision to the current Head Start Act giving states the option to apply for Head Start funds to use for early childhood education activities in their states. Current provisions of the Head Start Act, as amended by Title I, would not apply to states operating demonstration programs under Title II, unless such provisions are specifically made applicable in Title II.

The major provisions of Title II are:

- **Eligibility for funding/state plan approval:** The Secretary would be authorized to make grants to up to eight states to operate demonstration programs. The Secretary is directed to make awards to states that demonstrate:
 - that state standards generally meet or exceed the standards that ensure the quality and effectiveness of programs operated by Head Start agencies;
 - the capacity to deliver high-quality early childhood education services to prepare children, including low-income children for school; and
 - success in improving the school readiness of children.

To be eligible, a state must submit an application to the Secretary that meets the requirements of Section 643A. This section contains all of the requirements applicable to the demonstration programs that the application must meet. In order to be an eligible state, the state must meet each of the following criteria:

- (A) The state has an existing state supported system providing public prekindergarten services to children prior to entry into kindergarten;
- (B) The state must have implemented standards for school readiness that include standards for language, prereading, and premathematics development for prekindergarten that are aligned with state K-12 academic content standards and which will apply to all programs receiving funds “under this part”; or the state must provide an assurance that such standards will be aligned by end of the second fiscal year of participation;
- (C) State and locally appropriated funds for prekindergarten programs and Head Start in the fiscal year before applying for the program must be not less than 50 percent of federal funds that grantees in the state received under Head Start in the prior fiscal year; and

(D) The state has established a means for inter-agency coordination and collaboration in the development of its state plan.

It is unclear how much discretion the Secretary would have in determining whether the criteria for an eligible state were met, or whether the Secretary would have any discretion to disapprove an application based on the content of the state plan.

- **Use of funds:** Except as otherwise provided in Title II, a state could use its demonstration grant funds for any Head Start purpose.
- **Required services:** Title II describes two levels of services for children in Head Start-funded programs. First, for a base number of children currently served in Head Start in the state, the state would have to provide services “at least as extensive” as the health, parental involvement, nutritional, social, and transition-to-kindergarten activities and other services described in Section 641A of the Head Start Act. Under current law, the content of these services is provided in performance standards promulgated by the U.S. Department of Health and Human Services (HHS). However, these performance standards are not specifically referenced in Title II. As a result, it is unclear whether the services to these children would have to be provided in a way that meets the requirements of the current federal performance standards. Second, for children served with Head Start grant dollars in excess of the base number, the state would not be required to provide services as extensive as described in Section 641A. Rather, the state would be required to provide a set of child development and education, parent education and involvement, and social and family support services to children and families as described in Title II.
- **Professional development and teacher qualifications:** A state must meet the new minimum teacher qualifications and other credential requirements added to the current Head Start Act by Title I. Additionally, the state plan would need to include a description of the state’s plan for ongoing professional development of early childhood educators and administrations. The state would be required to describe the state’s early childhood teacher credentials and qualifications and describe the state’s student-teacher ratio for each age group served.
- **Parental choice:** A demonstration program would be required to allow parents to choose the preschool program for their child.
- **Maintenance of effort:** A state applying for demonstration funds would have to assure that the state would continue to contribute the same annual level of resources contributed by the state government in the base year for “child care for preschool-aged children and other preschool programs” for each year of the demonstration program. While the state would need to provide data relating to maintenance of effort compliance if requested by the Secretary, the state would not otherwise be required to routinely report on maintenance of effort compliance.

- **Evaluation of state demonstrations:** The Secretary of HHS would be required to contract with an independent organization to design and conduct a multi-year, rigorous, scientifically valid, quantitative evaluation of the state demonstration program. The Secretary would be required to award a contract within 180 days of enactment to an organization capable of designing and carrying out an independent evaluation. The evaluation must include each participating state; furthermore, it must include a quantitative description of the state pre-kindergarten program and Head Start programs within the state, as such programs existed prior to participation in the state demonstration program, and a quantitative and qualitative description of the state program after each year of participation in the state demonstration.

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Title I of H.R. 2210, as Amended – Head Start Reauthorization and Program Changes

Purpose of Head Start (Sec. 101, page 2):

Would amend the purpose of Head Start to read: “It is the purpose of this subchapter to promote school readiness by enhancing the ~~social and cognitive~~ development of low-income children, including through educational instruction in prereading skills, premathematics skills, and language, and through the provision to low-income children and their families of health, educational, nutritional, social and other services that are determined, based on family needs assessments, to be necessary.” [Underlined text is a change from current law; struck-through text is a deletion of current law.]

***Comment:** Would this modification of the purpose of Head Start have any practical effect on the ability of programs to use funds to promote other aspects of child development beyond the listed areas of learning? Title II’s provisions allow demonstration states to use funds for any of the purposes of Head Start. See discussion on page 29.*

Definitions in Head Start Act (Sec. 102, page 2-3):

Narrows definition of state to exclude certain territories: Would amend the definition of “State” by deleting references that included, for a limited time period during the current reauthorization period, the Federated State of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

Defines eligible entities for training and technical assistance funding: Would add a definition of “eligible entities” meaning an institution of higher education or other agency with expertise in delivering training in early childhood development, family support, and other assistance designed to improve the delivery of early childhood education programs. (See **Training and Technical Assistance**, page 9 of this analysis.)

Adds a definition of homeless children: Would add a definition of homeless children to follow the meaning given in subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).

Authorization of Head Start Appropriations (Sec. 103, pages 3-4):

Provides overall authorized discretionary funding level: Would authorize \$6.87 billion for fiscal year (FY) 2004 (subject to the appropriations process), and such sums as may be necessary for FY 2005 through FY 2008. Under current law, the authorization language is such sums as are necessary for Head Start for each fiscal year. The federal appropriation for Head Start in FY 2003 is \$6.67 billion.

Targets funding for Head Start National Impact Study: The Secretary would be required to use not more than \$7 million of these funds each year from FY 2004 through FY 2008 to carry

out the National Head Start Impact research authorized in 1998 (Sec. 649(g) of current law). Current law provides not more than \$5 million for each year of the impact research study.

Sets funding for other research activities: The Secretary would also have to make available not more than \$13 million of Head Start funds for FY 2004, and such sums as necessary for FY 2005 through FY 2008, to carry out other research, demonstration, and evaluation activities, including longitudinal studies as described in Sec. 649 of current law. Current law provides not more than \$12 million in FY 1995 and then such sums as may be necessary to carry out other research activities for subsequent years.

Authorizes new funds for Title II state demonstrations: The bill would add a new authorization for \$5 million (subject to the appropriation process) for each year FY 2004 through FY 2008 to assist states with the administrative expenses associated with implementing demonstration programs under Title II of the bill.

Discontinues funding for transition activities: The bill would discontinue current law authorization of no more than \$35 million per fiscal year for the Secretary to make available to assist Head Start programs to coordinate services with local education agencies serving their communities and with schools in which participating Head Start children would subsequently enroll.

Allotment and Allowable Uses of Head Start Funds (Sec. 104, pages 4-19):

Training and Technical Assistance (TA) (pages 5-7): Would make changes to the proportion of funds to be reserved by the Secretary for training and TA, and would add more specific provisions for allowable uses of those funds than in current law.

- **Limits former funding proportion:** Current law states that no less than 2 percent of the Head Start appropriation be used for training and TA. The bill would change this provision from the floor of 2 percent per fiscal year to no less than 1 percent and no higher than 2 percent.
- **Provides that half the training and TA funds be used for programs to meet program standards:** Would add specific language that at least 50 percent of training and TA funds must be made available to programs to meet standards described in Section 641A(a)(1) of the Act, including half of these funds to be used to address education standards as this bill would amend (see section on **Quality Standards**, page 17 of this analysis). The referenced section refers to performance standards established by the Secretary regarding comprehensive services and education. Note that the originally released bill used the term “performance standards,” while this amended bill deletes the word “performance” in this provision.
- **Makes about a third of the training and TA funds available for state systems:** Would add a new provision that not less than 30 percent must be made available to support a state system of early childhood education training and TA.

- **Reserves a fifth of the training and TA funds for the Secretary to assist local programs:** Would provide that not less than 20 percent be made available to the Secretary to assist local programs to meet standards. Note again that the originally released bill used the term “performance standards,” while this amended bill deletes the word “performance” in this provision. Current law sets aside \$3 million from the training and technical assistance funds for programs to carry out family literacy activities; the bill would maintain that provision as a subset of the 20 percent provision.

Use of Potential Funds for Migrant and Seasonal Head Start and Early Head Start Services (page 6):

- Would authorize the Secretary, if less than 2 percent of Head Start funds are set aside for use for the Training and TA fund and uses listed above, to use at least 25 percent of “such funds” for expansion of Migrant and Seasonal Head Start programs. Would provide that, if there are insufficient eligible children for Migrant and Seasonal services, then the funds could be used for other disadvantaged populations, including Indian Head Start children and children with disabilities.

Comment: The intention seems to be to apply the 25 percent to the amount of funds resulting from the difference between 2 percent of the Head Start appropriation in a year (now the maximum, see Training and TA section above), and the percentage of funds the Secretary decides to use toward Training and TA (which would have to be between 1 and 2 percent of funds). However, the term “such funds” is not specific enough to make this clear.

- Would specify that a portion of expansion funds [additional appropriated Head Start funds] should be used to expand services to underserved populations, “such as children receiving services under the Early Head Start and Migrant and Seasonal Head Start programs,” but only after expansion funds are first used to adjust prior year awards for inflation, and to meet the quality improvement, training and TA set-aside requirements.

Quality Improvement Funds (pages 7-12): Would make changes to the proportion of any new Head Start funding set aside for improving quality of programs and for other allowable uses.

- **Increases percentage of any new funds targeted for quality improvement:** Current law sets aside a portion of any new funding over prior year appropriation amounts adjusted for inflation for use in promoting the quality of Head Start programs, starting at 60 percent in FY 1999 and falling gradually to 25 percent for FY 2003. The bill would increase the set-aside back to 60 percent for each year, FY 2004 through FY 2008. Implementation of this provision would be subject to whether the appropriation process provides higher levels of funding as compared to the prior fiscal year.
- **Rewrites goals for which quality improvement fund reserve may be used:** Current law provides that quality improvement funds be used “to accomplish any or all” of a list of certain goals. The bills would amend some of those goals as follows:

- **Broadens allowable use of quality funds to help programs meet standards and educational standards; deletes reference to “performance” standards:** Current law states that an allowable use for quality improvement funds is to ensure programs meet or exceed Head Start Performance Standards with respect to required services, including health, parental involvement, nutritional, social, transition activities, and other services. This bill would change the reference to “standards,” deleting the word “performance” from current law, and include all those established by the Secretary, including education standards as well.
- **Specifies that training for staff include certain topics:** In a provision allowing funds to be used to ensure programs have adequate numbers of qualified staff, and they are furnished with adequate training, would add “including developing skills to promote the development of language skills, premathematic skills, and prereading in young children,” and would add preparation for working with children referred by child welfare services to the list of training subjects.
- **Mentions salary scales:** Would change an allowable use of the funds from “ensuring that salary levels and benefits are adequate to attract and retain qualified staff for such programs” to “developing and financing salary scales described under section 644(a) and 653, in order to ensure that salary levels and benefits are adequate to attract and retain qualified staff for such programs.”
[Note: these referenced sections do not contain certain salary scales.]
- **Encourages focus on salary enhancement efforts for lead teachers:** Would specify that a provision allowing quality improvement funds to be used for salary increases include the following: “and to assist with the implementation of programs specifically designed to enable lead instructors to become more effective educators.”
- **Adds focus on needs of children with disabilities into facilities considerations:** Would add consideration of whether facilities are “accessible to children with disabilities and their parents” to a currently allowable goal of quality improvement funds to ensure facilities are conducive to providing effective services to children and families.
- **Adds a new allowable goal to help staff achieve baccalaureate degrees:** Would add to the list of allowable activities: “Providing assistance to complete post secondary course work needed to attain baccalaureate degrees in early childhood education”
- **Adds a new allowable goal to promote regular attendance of children:** Would add to the list of allowable activities: “To promote the regular attendance and stability of highly mobile children, including migrant and homeless children.”
- **Modifies activities for which quality improvement funds shall be used:** Current law further specifies that quality improvement funds shall be used for “any and all” of a list of activities with not less than one half the amount of the reserved funds available to improve compensation of classroom teachers and other staff. The bill would modify the allowable uses of funds as follows:
 - **Restricts use of the at least 50 percent of quality funds currently set aside for salary enhancements to staff “providing instructional services,”** whereas

before funds could be used for staff not necessarily providing instructional services.

- **Specifies that of the remaining quality improvement dollars, an allowable use to provide training for staff may be used “particularly with respect to such assistance to enable more instructors to meet the degree requirements,”** which the bill would increase.
- **Appears to specify that where these funds may be used to employ additional Head Start staff to reduce the child-staff ratio, that the instructors must meet the higher education qualifications requirements that the bill would increase.**

Comment: This language is unclear; there seems to be a comma or word missing.

- **Allows funds to be used for outreach to homeless families:** Would provide that conducting outreach to homeless families to increase participation of homeless children in Head Start be an allowable use of quality improvement funds.
- **Allows funds to be used for outreach to migrant and seasonal farm-working families and families with children with limited English proficiency.**

Head Start State Collaboration Grants (pages 13-16): Would make changes to current law regarding provision of funds to states to establish Head Start State Collaboration offices and required activities of state directors.

- **Makes collaboration grants to states mandatory:** Would amend current law to require the Secretary to make payments to each state for collaboration grants. Current law does not require the Secretary to provide grants to every state.
- **Names the individual appointed by the state to manage the collaboration office the “state director of collaboration.”**
- **Makes the list of entities with which collaboration should occur more specific:** Under current law, the responsibility of the state director of collaboration is to serve as a liaison between the regional office of the HHS’s Administration for Children and Families, agencies and individuals carrying out Head Start programs in the state, and agencies (including local education agencies) and entities carrying out programs serving low-income children and families. The bill would require the state to appoint an individual to serve as the State Director of Collaboration between: the appropriate regional office of the Administration for Children and Families; the state educational agency; the state Department of Health and Human Services; the state agency that oversees child care; the state agency that oversees children with developmental disabilities; the state Head Start Association; the state network of child care resource and referral agencies; local educational agencies; community-based and faith-based organizations; state representatives of migrant and seasonal Head Start associations; state representatives of Indian Head Start associations; state and local providers of early childhood education and child care; and other entities carrying out programs serving low-income children and families in the state.

Comment: The language referring to “the agency overseeing child care” should be made more specific to say “the agency or agencies with responsibility for administering the Child Care and Development Block Grant of 1990.” It was likely the legislative intent is to assure that the agency overseeing these federal funds would be included in collaboration efforts rather than, for example, the child care licensing agency.

- **Requires that the collaboration activities include coordination with services for homeless children:** Would add a requirement that the director of collaboration address coordination of services for homeless children, including work with the Office of Coordinator for Education of Homeless Children and Youth designated under the McKinney–Vento Homeless Education Assistance Improvements Act of 2001.
- **Requires the state director of collaboration to complete an assessment of availability of high-quality prekindergarten:** Would require the director to complete an assessment of availability of high-quality prekindergarten services for low-income children, to be completed within one year of the date of enactment, and to be updated on an annual basis and made available to the general public within the state.
- **Adds a requirement to address collaboration with child protective services:** Would require the Director of Collaboration to ensure that collaboration activities involve coordination with child protective services.
- **Adds a requirement for a strategic plan for outreach:** Would require that the listed entities be involved in developing a strategic plan for coordinated outreach to identify eligible children and implementation strategies based on a needs assessment conducted by the state director of collaboration, which shall include the assessment of the availability of high-quality prekindergarten described above.
- **Discontinues requirements for state Head Start Association involvement:** Would delete current law provisions that require that the state Head Start Association be involved in the selection of the Collaborator and in determinations relating to the ongoing direction of the collaboration.
- **Adds a requirement for unified planning on school readiness standards:** Would add a requirement that the Collaborator consult with the chief state school officer, local educational agencies, and representatives of local Head Start agencies in unified planning regarding early care and education services at both the state and local levels, including collaborative efforts to develop school readiness standards.
- **Amends a requirement for unified planning on provision of full-day, full-year services:** Under current law, the state must include representatives of the state Head Start Association and local Head Start agencies in unified planning regarding early care and education services at the state and local levels, including collaborative efforts to plan for the provision of full-working-day, full-calendar-year early care and education services for children. The bill would increase the number of entities involved in this unified planning process, and would modify the requirement to mandate consultation, rather than participation, in the planning. The modified provision says that the state shall consult with the chief state school officer, local educational agencies, state child care administrators, state human services administrators, representatives of local child care resource and referral agencies, local early childhood councils, providers of early

childhood education and care, and other relevant state and local agencies, and representatives of the state Head Start Associations (but deletes references to local Head Start agencies) to plan for the provision of full-working-day, full-calendar-year early care and education services for children.

- **Deletes a current requirement of law that the Director “encourage local Head Start agencies to appoint a state level representative to represent Head Start agencies within the state in conducting collaborative efforts.”**

Comment: It is unclear why the bill specifies involvement of state Head Start Associations in the full-day, full-year planning process, but not in the planning for developing school readiness standards. Furthermore, why is the involvement of local Head Start agencies specified for planning in developing school readiness standards, but not the full-day, full-year planning process?

Additional Supplemental Funding for Collaboration (page 15): Would amend current law provision that allows the awarding of additional supplemental funding for collaboration to states that have developed statewide, regional, or local unified plans for early childhood education and child care that include participation of Head Start agencies. The amendment specifies that in addition to consulting with state Head Start Associations, a qualifying state would also have to consult with providers of services supporting early childhood education and child care.

Priorities for Expansion Funds (pages 17-18): Would amend current law guiding the Secretary as to how to prioritize spending of additional funding beyond a previous fiscal year that is available for expanding Head Start services.

- **Adds consideration of leverage:** One current factor is the extent to which an applicant for funding proposes to foster partnerships with other service providers in a manner that will enhance the resource capacity of the applicant. The bill would modify this factor to include consideration of how those partnerships will leverage the existing delivery system.
- **Adds consideration of whether Head Start agencies have included needs of homeless children in their community-wide strategic planning and needs assessment process, and have plans to coordinate with other efforts to serve homeless children:** Current law requires the Secretary to consider the extent to which agencies involve other community organizations in this process, and this provision would specifically include the local educational agency liaison designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Act of 2001. The bill would also require consideration of whether the agency is coordinating with this local education liaison.

Updates Authorization of Allotment for Indian, Migrant, and Seasonal Head Start Programs (page 4): Would update current law language that assures these programs receive grants no less than the level received in 1998, to say levels as of 2003.

Updates Early Head Start Authorization for Allotment of Funds (page 16): Current law allows for increasing amounts of Head Start funds to be used for provision of Early Head Start

program for infants and toddlers and their families, starting at 7.5 percent in 1999 and growing to 10 percent in 2003. This provision would keep the Early Head Start allotment to 10 percent each fiscal year through 2008.

Adds New Provision to Remove Barriers to Enrollment of Homeless Children in Head Start (pages 18-19): Would require the Secretary to promulgate regulations to establish policies and procedures to remove barriers to the enrollment and participation of homeless children eligible for Head Start. These regulations would require Head Start programs to: “(1) implement policies and procedures to ensure that eligible homeless children are identified and prioritized for enrollment, and (2) allow homeless families to apply to, enroll in and attend Head Start programs while required documents, such as proof of residency, immunization and other medical records, birth certificates and other documents, are obtained within a reasonable time frame, and (3) coordinate individual Head Start centers and programs with efforts to implement Subtitle VII-B of the McKinney-Vento Homeless Assistance Act.”

Adds New Provision Stating That the Act Shall Not Be Construed to Require A Program of Early Education or That Children Must Participate in Such a Program or Initial Screenings Prior to Participation, Excluding IDEA’s Child Find Provisions (page 19): This provision states that nothing in the School Readiness Act shall be construed to require a state to establish a program of early education for children in the State, to require any child to participate in a program of early education, to attend school, or to participate in any initial screening prior to participation in such program, except as provided under section 612(a)(3) [the requirement of IDEA that states run Child Find programs to promote the early identification of children with disabilities] consistent with IDEA section 614(a)(1)(C) [requiring parental consent for participation in such a screening.]

Other Provisions of Sec. 104:

- Would strike the section in current law that allows for payments for Head Start services to the jurisdictions of the Federated State of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau (page 4).
- Would strike current law language stating that no freely associated state may receive Head Start financial assistance after FY 2002 (page 4).
- Would delete a provision pertaining to use of Early Head Start funds if the Secretary had not submitted a final Early Head Start Impact report by a specified date, or if the report had found substantial deficiencies in the program.
- Would amend current law provision requiring the Secretary to establish procedures to enable Head Start Agencies to develop locally designed or specialized service delivery models to address local community needs. It would add: “including models that leverage the existing capacity and capabilities of the delivery system of early childhood education and child care” (page 16).
- Would require that all curricula and instructional materials funded under this subchapter be scientifically based and age appropriate. It would also require that parents have the ability to inspect, upon request, any curricula or instructional materials (page 19).

Designation of Allowable Head Start Agencies and Activities Required of Them (Sec. 105, pages 19-26):

Eligibility of Faith-based Organizations: Would add an explicit reference that community-based or faith-based organizations may be designated by the Secretary as Head Start agencies.

Requirements for Programs to Receive and Maintain Funding: Would add a provision that in order to be designated a Head Start agency, a grantee must establish goals for improving the school readiness of participating children, including goals for: A) educational instruction in prereading, premathematical, and language skills, and B) the provision of health, educational, nutritional, social, and other services. To receive subsequent funding awards, grantees would need to demonstrate that they had met the established goals. Would provide that measurement of meeting such goals would not be primarily or solely determined by the results of assessments.

Comment: What would be the process by which grantees would need to demonstrate compliance with set goals? Would there be any restrictions on how programs could define and measure improvements in school readiness? How would the Secretary determine compliance, and what course would be taken should a grantee be deemed non-compliant? Would a determination of non-compliance with this requirement mean that a grantee would lose Head Start funds? How would this relate to current law procedures regarding program review and monitoring? How is the term “assessments” defined?

Treatment of Programs Already Receiving Head Start Funds: The current law provides that the Secretary must give priority in the designation of Head Start agencies to any local public or private nonprofit or for-profit agency that is already receiving Head Start funds, unless the Secretary determines that the agency involved fails to meet program and financial management requirements, performance standards, results-based performance measures, or other requirements established by the Secretary. The bill would strike the language requiring the Secretary to make a determination and would replace it with a requirement that programs “fulfill” the program and financial management requirements, standards, results-based performance measures, or other requirements established by the Secretary. Note that in current law the term “performance standards” is used, not just “standards.”

Comment: It is unclear what substantive change this would have on continued funding for existing Head Start grantees.

Selection Factors for New Grantees: Under current law, there are a set of factors to consider in selecting new grantees. The bill would modify this list as follows:

- **Adds a focus on capacity to deliver scientifically-based programs:** Would add as a selection factor the applicant’s capacity to serve eligible children with scientifically based programs that promote school readiness and the plan of such applicant to meet the standards established by the Secretary, with particular regard to the standards governing comprehensive services and education (see **Quality Standards** below).

- **Adds a focus on plan to serve homeless children:** Would add to the list of selection factors consideration of the applicant’s plan to meet the needs of homeless children.
- **Amends selection factors to focus on preparing children for success in school:** Under current law, one selection factor is “the plan of such applicant to provide comprehensive health, nutritional, educational, social, and other services needed to aid participating children in achieving their full potential.” The bill would keep the same listing of services but, instead of referring to full potential, says to “prepare children to succeed in school.”
- **Amends coordination with other preschool programs:** Under current law, one selection factor is the applicant’s plan for coordination with a set of other preschool programs. The bill would broaden the list to include Early Reading First, other preschool programs under title I of ESEA, and state prekindergarten programs.
- **Adds coordination with private entities:** Would add a new selection factor: the applicant’s plan to coordinate Head Start with private entities with resources available to assist the program to meet its program needs.
- **Adds consideration of outreach to fathers:** Would add a new selection factor regarding the plan of the applicant to extend outreach to fathers “in order to strengthen the role of fathers in families by working directly with fathers and father-figures through such activities as including fathers in home visits, implementing father outreach efforts, providing opportunities for direct father-child interactions, and targeting increased male participation in programs.”

Quality Standards and Monitoring of Head Start Programs (Sec. 106, pages 26-35):

Educational Performance Standards Modifications: Under current law, the Secretary must establish by regulation: “additional education performance standards to ensure that the children participating in the program, at a minimum—

- (I) develop phonemic, print, and numeracy awareness;
- (II) understand and use language to communicate for various purposes;
- (III) understand and use increasingly complex and varied vocabulary;
- (IV) develop and demonstrate an appreciation of books; and
- (V) in the case of non-English background children, progress toward acquisition of the English language.”

The bill replaces the above listing with—

- “(I) language skills;
- (II) prereading knowledge and skills, including interest in and appreciation of books, reading and writing either alone or with others;
- (III) premathematics knowledge and skills, including aspects of classification, seriation, number, spatial relations, and time;
- (IV) cognitive abilities related to academic achievement;
- (V) social and emotional development important for environments constructive for child development, early learning, and school success; and

(VI) in the case of limited English proficient children, progress toward acquisition of the English language.”

Comment: The bill would change the language from “non-English background”, to “limited English proficient.” What is the substantive impact of this change?

Guidance to Secretary on Changing Head Start Performance Standards: In current law, there are restrictions for the Secretary to consider in making changes to the Performance Standards. The bill would modify some of these restrictions.

- **Requires Secretary to consider certain program challenges:** Would add a provision that the Secretary consider in developing standards “the unique challenges faced by individual programs, including those that are seasonal or short term, and those that serve rural populations.”
- **Broadens the consideration of transition activities beyond public schools in current law:** Would delete the word “public” from before “schools” in a provision directing the Secretary to consider the “need for, and the state of the art developments relating to, local policies and activities designed to ensure that children participating in Head Start programs make successful transition to schools.”
- The bill makes some technical conforming changes relating to the date of the 1998 Act and of actions taken since that time.

Results-based Measures: Current law contains a requirement for the Secretary to develop results-based measures to address the quality and effectiveness of Head Start programs and the impact of services provided on children and families.

- **Adds requirements for appropriate measures:** The bill would specify that Head Start results-based measures must be appropriate for the population served, be reviewed no less than every four years based on advances in the science of early childhood development, and apply to both education performance standards and other comprehensive Head Start Performance Standards.
- **Strikes current law specific requirements for results-based measurement, and requires development of measures of educational standards based on scientific research:** Would strike current law provision specifying that the results-based performance measures include “educational performance measures that ensure that children participating in Head Start programs; (A) know that letters of the alphabet are a special category of visual graphics that can be individually named; (B) recognize a word as a unit of print; (C) identify at least 10 letters of the alphabet; and (D) associate sounds with written words.” The bill would replace this with a requirement that results-based measures be designed for the purpose of promoting the competencies of children participating in Head Start programs according to the amended education performance standards (see **Education Performance Standards Modification**, page 16 of this analysis), with an emphasis on measuring those competencies that have a strong scientifically based predictability of a child’s school readiness and later performance in school.

Changes to Program Monitoring and Corrective Action Requirements: Under current law, each Head Start program receives a full review every three years. The bill would make changes to the current procedure.

- **Requires that grantees not receive prior notice before monitoring visits:** Would add a provision that monitoring visits be conducted without prior notice to the local agency or program.
- **Discontinues requirement that reviews involve federal employees:** The bill would strike the current law requirement that monitoring be performed to the maximum extent practicable by employees of the Department of Health and Human Services who are knowledgeable about Head Start programs, and that such review be supervised by such an employee at the site of the Head Start agency being reviewed.
- **Alters reference to diversity of review teams:** The bill would amend current language requiring that review teams include individuals knowledgeable about the “diverse (including linguistic and cultural) needs of eligible children (including children with disabilities) and limited English proficient children and their families.” (The underlined text is new.)
- **Adds review of income-eligibility compliance:** The bill would add a requirement that there be a review and assessment of whether a program is in conformity with the income-eligibility requirements.
- **Adds review of community collaboration:** The bill would add a requirement that the reviews seek information from program communities about innovative or effective collaboration efforts, barriers to collaboration, and the efforts of the Head Start agencies and programs to collaborate with the entities carrying out the early childhood education and child care programs in that community.
- **Removes the word “performance” from before “standards”** in a requirement for how grantees are to be reviewed during monitoring visits.
- **Adds review of how programs are addressing limited English proficient children and children of migrant and seasonal farm-working families:** Would require that as part of the program review, the monitors conduct a review and assessment of whether programs have adequately addressed the population and community needs of these populations.
- **Adds a review of how programs are conducting community wide strategic planning and needs assessments, and would allow failure to adequately address them to trigger the corrective action process:** Would require consideration in the monitoring process of the extent to which programs are addressing the community needs and strategic plans required, including considering of needs of homeless children.
- **Allows failure to meet one or more of the results-based performance measures to trigger monitoring:** Would require that programs that fail to meet one or more of the results-based performance measures developed by the Secretary will require follow up in the monitoring process.
- **Requires public posting of monitoring reports:** Would require that currently required summaries of the monitoring outcomes that the Secretary must produce no later than 120

days after the end of each fiscal year must be made available to parents of children in the program, must be understandable to parents, and must be made public, at least through a posting on the Internet, right after publication.

Powers and Functions of Head Start Agencies (Sec. 107, pages 35-40):

- **Amends function requirements to include focus on education standards and scientifically based curricula:** Would add to the list of Head Start agencies' functions that they will establish programs with standards as set forth in the Performance Standards section, with special attention to the comprehensive services and education performance standards, and demonstrate capacity to serve eligible children with scientifically based curricula and other interventions that help ensure the school readiness of participating children.
- **Adds requirement for Head Start programs to collaborate with homeless services:** Would require local programs to coordinate and collaborate with programs under subtitle VII-B of the McKinney-Vento Homeless Assistance Act.
- **Adds a requirement for Head Start programs to collaborate with agencies administering provisions of the Child Abuse Prevention and Treatment Act.**
- **Specifies that local Head Start programs may coordinate with local education agencies to address underserved populations:** Would specify in a current law provision allowing programs to coordinate with the local education agency that the collaboration may be with regard to increasing the program participation of underserved population of eligible children.
- **Requires community outreach:** Would add a requirement that agencies conduct outreach to schools in which Head Start children will enroll, local educational agencies, the local business community, community-based organizations, faith-based organizations, museums, and libraries to generate support and leverage the resources of the entire local community in order to improve school readiness.
- **Requires coordination with public preschools:** Would add a requirement that Head Start agencies in communities where both public prekindergarten programs and Head Start programs operate will coordinate with the local educational agency or other public agency responsible for the operation of the prekindergarten programs, including for outreach to identify eligible children.

Comment: Some publicly funded prekindergarten programs are delivered at the local level through private entities. How would the coordination provision apply?

Head Start Alignment with K-12 Education (Sec. 108, pages 40-42):

Under current law, this section outlines requirements for local programs to “take steps to” coordinate with local education agencies in which Head Start children will enroll, including a list of activities. Changes to that section and the list of activities include:

- **Changes title of section:** Would change the title for the current law section from “Head Start Transition” to “Head Start Alignment with K-12 Education.”

- **Requires communication with educational agencies' homeless services staff:** Would change a provision requiring communication between Head Start and their counterparts in the schools to include "McKinney-Vento liaisons."
- **Adds development of curricula with continuity between Head Start and schools:** Would add to the list of activities: "developing continuity of developmentally appropriate curricula between Head Start and local educational agencies to ensure an effective transition and appropriate shared expectations for children's learning and development as they make such transition to school."
- **Adds parental involvement focus to list of activities:** Would amend one of the included activities to read: assisting families, administrators, and teachers in enhancing educational and development continuity "and continuity in parental involvement activities" between Head Start and elementary schools. Would also add a new activity: "helping parents to understand the importance of parental involvement in a child's academic success while teaching them strategies for maintaining parental involvement as their child moves from Head Start to elementary school."
- **Adds activity regarding underserved populations:** Would add, "developing and implementing a system to increase program participation of underserved populations of eligible children" to the list of activities under this section.

Administrative Requirements and Standards (Sec. 109, pages 42-43): Would require that programs seeking permission of the Secretary to use Head Start funds to purchase a facility must first submit "a description of the consultation conducted by the Head Start agency with the providers in the community demonstrating capacity and capability to provide services under the Act, and of the potential for collaboration with such providers and the cost effectiveness of such collaboration as opposed to the cost effectiveness of the purchase of the facility."

Eligibility for Head Start (Sec. 110, page 43):

- **Provides that no more than 10 percent of enrollment exceed definition of low-income family, including children referred by child welfare services:** Current law provides that a program may provide Head Start services "to a reasonable extent" to families that exceed the eligibility standard of "low-income." This provision would put in law what has been the requirement in the federal Head Start Program Performance Standards – that no more than 10 percent of enrollment can exceed that definition. It would also specify that this 10 percent allowance can include children referred by child welfare services.
- Would exclude a basic housing allowance provided to members of the uniformed services in determining income eligibility for Head Start.

Early Head Start Programs (Sec. 111, pages 44-45):

- **Specifies that providing parenting skills training and training in basic child development are required activities of Early Head Start grantees.**

- **Requires coordination with home-based services:** Would add to a provision in current law for coordination with other services in the state and community to ensure a comprehensive array of supports, including health and mental health services and family support services; these services should include home-based services.
- **Requires formal link to Child Abuse Prevention and Treatment agency:** Would add to a list of entities with whom Early Head Start programs are required to develop formal linkages the agency responsible for administering Section 106 of the Child Abuse and Prevention Treatment Act.
- **Requires Early Head Start programs to coordinate with homeless services:** Would amend a current provision regarding coordination requirements to include coordination of Early Head Start services with services provided by programs for homeless infants and toddlers.
- **Allows “community and faith-based agencies” to apply for Early Head Start funds.**
- **Allows the Secretary to use Early Head Start training and technical assistance funds for a new purpose:** Would add to a list of allowable uses of Early Head Start funds set aside for training and technical assistance “providing professional development designed to increase program participation for underserved populations of eligible children.”
- **Allows Migrant and Seasonal Head Start programs to apply to be Early Head Start providers.**

Technical Assistance and Training (Sec. 112, pages 45-50):

- **Provides that a portion of training and TA funds be used by the Secretary to establish state systems of training and TA:** Specifies that a portion of the technical assistance and training funds earmarked for support of a state system to early childhood education training and technical assistance (see **Allotment and Allowable Uses of Head Start Funds**, page 9) would be made available by the Secretary to support a state-based system delivering training and technical assistance.
- **Emphasizes support of standards on comprehensive services and education standards:** Specifies that state-based systems would be intended to improve the capacity of Head Start programs within a state to deliver services in accordance with Head Start standards.
- **Requires that the Secretary choose agencies through a competitive process and in consultation with the State Collaboration Board:** The Secretary would be required to ensure a competitive bid process among eligible agencies within a state and to choose from those eligible agencies to award these funds in consultation with the State Collaboration Board (described on page X of this analysis).
- **Requires the Secretary to ensure planning and coordination:** The Secretary would have to ensure that existing agencies with demonstrated expertise in providing high-quality training and technical assistance, including the state Head Start Association, migrant and seasonal Head Start programs operating in the state, state agencies, and other entities currently providing such training, be included in the planning and coordination of the state system of training and technical assistance.

- **Requires the Secretary to encourage states to add resources:** The Secretary would have to encourage states to supplement the federal funds available in order to expand activities to include non-Head Start early childhood service providers.
- **Adds provision of technical assistance regarding needs of homeless children:** Would add two activities to a list that the Secretary must give priority consideration to in allocating resources for training and technical assistance: 1) assistance to programs to conduct needs assessments regarding needs of homeless children and their families, and 2) assistance to programs to increase enrollment of eligible homeless children.
- **Authorizes and directs the Secretary to use funds from programs authorized under the Head Start Act for training for personnel providing services to children determined to be abused or neglected and for personnel providing services to children referred by or receiving child welfare services.**
- **Adds a requirement for Head Start funds to be used to improve services for migrant and seasonal workers and their children and homeless families:** Would insert a requirement that the Secretary shall provide, either directly or through the provision of grants, funds for training of Head Start personnel in addressing the unique needs of migrant and seasonal working families, families with a limited English proficiency, and homeless families.
- **Specifies that the Secretary may contract with community or faith-based entities for provision of certain training:** Would add to current law provision regarding the option of the Secretary to provide training for Head Start personnel in the use of the performing and visual arts and interactive programs using electronic media to enhance the learning experience of Head Start children that community and faith-based entities would be eligible to conduct such training.
- **Changes current law to allow use of funds to support Early Reading First activities related to screening reading assessment:** Would insert into a provision that directs the Secretary to supplement quality improvement activities to support training and career development needs by using funds to support instruction to support activities described in section 1221(b)(3) of the Elementary and Secondary Education Act. This section provides the definition of screening reading assessment under the Early Reading First program.
- **Prohibits use of funds for training for certain activities:** Would add language specifying that Head Start funds used for training shall be used for needs identified annually by a grant applicant or delegate agency in their program improvement plans, except that funds shall not be used for long-distance travel expenses for training activities available locally or regionally or for training activities substantially similar to locally or regionally available training activities.
- The bill restates the definition of “eligible entities” included in the **Definitions** section (page 8) as follows: an institution of higher education or other agency with expertise in delivering training in early childhood development, family support, and other assistance designed to improve the delivery of Head Start services.

Comment: There does not appear to be a requirement that there be at least one funded entity in each state; that determination would appear to be left to the Secretary to choose.

Staff Qualifications and Development (Sec. 113, pages 50-52):

- **Increases educational requirements for center-based teacher qualifications:** Current law requires that 50 percent of center-based Head Start teachers have at least an associate degree in early childhood education or one in a related field with experience in teaching young children by September 30, 2003. The bill would modify this requirement to provide that:
 - 50 percent of center-based teachers would have at least a baccalaureate degree or higher in early childhood education or one in a related field with experience in teaching young children by September 30, 2008;
 - Each Head Start agency provide to the Secretary a report indicting the number and percentage of classroom instructors and their level of education, and that the Secretary compile these reports and make them available to the relevant Congressional committees; and

Comment: The word “indicting” is likely a mistake in drafting. The bill also does not specify when this report must be completed.

- Within three years of the enactment of the bill, all new teachers hired for Head Start programs would have at least an associate degree in early childhood education or one in a related field with experience in teaching young children, or would be currently enrolled in a program to earn an associate degree in early childhood education within three years from the date of hire.
- **Calls for Secretary to require those teachers who receive financial assistance in meeting higher education requirements to stay Head Start teachers for some time period:** Also would add a requirement that the Secretary establish provisions to ensure that all those who receive financial assistance through the federal Head Start program to comply with the higher education qualifications requirement continue to work in Head Start programs for the same amount of time they received that assistance or to repay the amount of assistance received.
- **Requires professional development plans for staff:** Would require all Head Start programs to create individual professional development plans for full-time employees who provide direct services to children, in consultation with the employees.

Research, Demonstrations, and Evaluation (Sec. 114, pages 52-55):

- **Makes children determined to be abused or neglected a part of research consideration:** Would add to a provision that Head Start be used to develop, test, and disseminate new ideas for addressing children’s needs that part of that mission be to address needs of children determined to be abused or neglected.

- **Repeals requirement that research activities permit comparisons between participating and non-participating eligible children:** Would delete a requirement that research activities include a component designed to study the experiences of small, medium, and large states with Head Start programs in order to permit comparisons of children participating in the programs with eligible children who did not participate in the programs.
- **Updates the timing of reports to Congress:** Would change provisions regarding the National Head Start Impact study so that the next interim report would be due September 2003, followed by one in September 2005, and the final one in September 2006.
- **Strikes a study of quality improvement funds:** Would strike a provision in current law that the Secretary conduct a study regarding the use and effects of the quality improvement funds since fiscal year 1991.
- **Adds a requirement that the National Academy of Sciences study child assessment:** Would require the Secretary to use funds from the fifth of the training and TA funds designated for assisting local programs to meet standards to contract with the National Academy of Sciences for the Board on Children, Youth, and Families of the National Research Council, and the Institute of Medicine to establish an independent panel of experts to review and synthesize research, theory, and applications of the social, behavioral, and biological sciences and make recommendation on early childhood pedagogy with regard to:
 - Age and developmentally appropriate Head Start academic requirements and outcomes, including but not limited to the education domains amended by the bill;
 - Differences in the type, length, mix, and intensity of services necessary to ensure that children from challenging family and social backgrounds including: low-income children, children of color, children with special needs, and children with limited English proficiency are, and enter kindergarten, ready to succeed;
 - Appropriate assessments of young children for the purposes of improving program instruction, services, and program quality, including systematic observation assessment in children's natural environment, parent and provider interviews, and accommodations for children with disabilities and appropriate assessments for children with special needs, including English language learners.

The bill would require a certain composition to the panel of experts, that the panel be established within 90 days of enactment of the bill, and that a final report be produced by 18 months of convening. The bill would further require that the Secretary use the results of the study as guidelines to develop, inform, and revise, where appropriate, the Head Start education performance standards and measures and the assessment utilized by the program.

Reports (Sec. 115, page 55-56):

- Would change references to the relevant Senate authorizing committee from the old name to the currently accurate Committee on Health, Education, Labor, and Pensions.
- Would add to a required report by the Secretary inclusion of information on homeless children served in Head Start and what services they receive.

Head Start Non-Discrimination Provisions (Section 116, pages 56-58): Would add language that allows religious corporations, associations, educational institutions or societies receiving Head Start funds not to comply with the nondiscrimination provisions of the Head Start Act with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution or society of its activities.

Effective Date (Sec. 117, page 58):

The Title I provisions of the Act would be effective beginning October 1, 2003.

Title II of H.R. 2210 – State Demonstration Program

State Demonstration Program (Sec. 201, pages 58-84)

In General: Title II would create a new Sec. 643A of the Head Start Act, under which up to eight states could submit applications and state plans to become demonstration states. If a state's plan was approved, the state would receive approximately the amount of Head Start funding that would otherwise go to grantees in the state, for up to five years, and the state could use these funds in any manner consistent with Head Start purposes. Demonstration grants would be required to ensure that services at least as extensive as were provided under Head Start would be provided to at least the number of children that received such services during the base year. A state would need to specify in its state plan that it would comply with certain Head Start requirements. HHS could terminate a state's funding if the state did not correct deficiencies. HHS would be required to provide funding for an independent evaluation.

Eligible States (Sec. 643A(a), pages 58-60): The Secretary would be authorized to make grants to up to eight states to operate demonstration programs. The Secretary is directed to make awards to states that demonstrate:

- that state standards generally meet or exceed the standards that ensure the quality and effectiveness of programs operated by Head Start agencies;
- the capacity to deliver high-quality early childhood education services to prepare children, including low-income children for school; and
- success in improving the school readiness of children.

To be eligible, a state must submit an application to the Secretary that meets the requirements of Sec. 643A. Section 643A contains all of the requirements applicable to the demonstration programs that the application must meet. In order to be an eligible state, the state must meet each of the following criteria:

- (A) The state has an existing state-supported system providing public prekindergarten services to children prior to entry into kindergarten.
- (B) The state must have implemented standards for school readiness that include standards for language, prereading, and premathematics development for prekindergarten that are aligned with state K-12 academic content standards and which will apply to all programs receiving funds “under this part;” or the state must provide an assurance that such standards will be aligned by end of the second fiscal year of participation;
- (C) State and locally appropriated funds for prekindergarten and Head Start in the fiscal year before applying for the program must be not less than 50 percent of federal funds that grantees in the state received under Head Start in the prior fiscal year, excluding amounts received for Early Head Start services provided under section 645A of the Head Start Act.
- (D) The state has established a means for inter-agency coordination and collaboration in the development of its state plan.”

***Comment:** Under this structure, a state would need to meet the four specified criteria to be considered eligible. Among states meeting the criteria and*

submitting applications meeting the requirements of the law, the Secretary would be required to make awards to those meeting the standards described above.

Lead Agency (Sec. 643A(b), page 60): The Governor of the state would designate a state governmental entity to be the lead agency.

Direct Operation, Grant, Contract, or Cooperative Agreement (Sec. 643A(c), pages 60-61): A state could conduct all or any part of its demonstration program directly, by grant, contract, or cooperative agreement.

Transition Requirements (Sec. 643A(d), page 61): A local grantee receiving Head Start funds for a geographic area covered by a state plan would continue to receive funds from the state in accordance with the terms of its award for a minimum of 36 months after the effective date of the demonstration section of the law, provided that the grantee: (1) had not experienced substantial uncorrected deficiencies on HHS monitoring reports during any year of the most recent five-year period or (2) has not been determined by the state not to be in compliance with the demonstration state plan submitted to the Secretary.

***Comment:** Since the bill also says that a state may administer its program directly, or through grants, contracts, or cooperative agreements, it isn't clear how the transition requirements would work if a state did not want to operate its program through such a grantee system. It is also unclear how the provision regarding a state determination of non-compliance with the state plan would operate. Would any showing of any degree of non-compliance with the state plan be sufficient to trigger a denial of Head Start funds?*

Federal Funding (Sec. 643A(e)(1) and (2), page 61-63): For a statewide program, a participating state would qualify to receive 100 percent of the amount that would otherwise be provided to Head Start grantees in the state under the basic allocation formula (excluding any amounts received for the provision of Early Head Start services) and the amount that would otherwise be paid for the state's collaboration grant, for expansion, quality improvement, and training and technical assistance. If a state elected to operate a demonstration program in only part of the state, the funding would be proportionately adjusted.

Non-Federal Match (Sec. 643(e)(3), pages 63-64): The state would need to provide a non-federal share of 5 percent, in cash or in-kind, not counting the state funds counting toward the state's maintenance of effort requirement.

***Comment:** A subsequent provision of the bill, relating to state plans, seems to envision that the non-federal share should be 20 percent (discussed on page 35 of this analysis). The intended amount for the non-federal share needs to be clarified.*

Combining Funds with Other Early Childhood Education Programs (Sec. 643A(e)(4), page 64): A state could combine Head Start funds with funds for other early childhood programs serving children in the same age group, as long as all applicable Head Start requirements were met for either the entire combined program or each child served in the combined program with federal Head Start or non-federal matching funds.

Comment: Assuming a state wanted to include Head Start-funded children in a broader pre-kindergarten initiative, this would mean that Head Start rules would apply either to all children or to the Head Start-funded children in the program.

Allowable Uses of Funds (Sec. 643A(e)(5), page 65): Funds received under a demonstration grant could be used for any program purpose of Head Start. Under the bill, the purpose of Head Start would be amended to read: “It is the purpose of this subchapter to promote school readiness by enhancing the development of low-income children, through educational instruction in prereading skills, premathematics skills, and language, and through the provision to low-income children and their families of health, educational, nutritional, social, and other services that are determined, based on family needs assessments, to be necessary.” Funds currently earmarked for particular purposes (e.g., training and technical assistance, collaboration) could be used for any program purpose.

Comment: The current Head Start Act contains requirements that Head Start funds be earmarked for particular purposes, such as training, technical assistance, collaboration, and quality improvements. Under this proposed provision, a state receiving Head Start funds under Title II would not have to use these funds for the specified purposes in the Head Start Act’s Section 640. Instead, these funds could be used for any activity that satisfies Head Start’s purpose.

Nonsupplantation (Sec. 643A(e)(6), pages 65): Funds received under a demonstration grant “shall not supplant any non-Federal, state or local funds that would otherwise be used for activities authorized under this section or similar activities carried out in the state.”

Comment: This language doesn’t seem to say that the funds may not be used to supplant non-federal funds previously being used for particular activities. Rather, the bar is against supplanting funds that “would otherwise be used” for such activities. If a state elects to withdraw funding from a particular activity, and then substitutes Head Start funds, it isn’t clear how one would determine if the non-federal funds “would otherwise be used” for the activity. Also, note that the bar is against supplanting non-federal funds. Therefore, this provision would not, for example, bar a state from using demonstration funds to substitute for federal TANF funds currently being used for early education activities.

Coordination (Sec. 643A(f)(1) and (2), pages 65-66): A participating state would be required to coordinate its program with the education programs of local educational agencies in the state to ensure that the program is effectively designed to develop in children in the program the

knowledge and behaviors necessary to transition successfully to kindergarten and to succeed in school. The bill says that coordination must occur with:

- (i) the Early Reading First, Even Start, and other preschool programs carried out under Title I of the Elementary and Secondary Education Act;
- (ii) state prekindergarten programs; and
- (iii) the Ready-to-Learn Television Program under Title II of the Elementary and Secondary Education Act.

In addition, coordination could occur (but would not be required) with programs under the Child Care and Development Block Grant Act (CCDBG) and other publicly funded early childhood education programs.

***Comment:** The required coordination under the demonstration grant program appears to be much more limited than that required for a state collaboration office under Title I of the bill. For instance, current law requires Head Start agencies to collaborate with the state agencies that administer the Individuals with Disabilities Education Act (IDEA) early childhood programs and CCDBG; this requirement was not amended by Title I. Under Title II, CCDBG is listed as an optional program with which Head Start should be coordinated; the IDEA early childhood programs are not listed at all in this subsection.*

Parental Choice (Sec. 643A(f)(3), page 66): The program must allow parents to choose the preschool program for their children.

***Comment:** It is unclear what this provision would require. The federal CCDBG Act has a parental choice provision, but, in CCDBG, the principal means of service delivery in most states is through vouchers, and the vouchers may be used for a range of providers, including relatives and informal unregulated providers. In the case of the Head Start bill, the bill's language expressly provides that a state could conduct its program directly or by grant, contract, or cooperative agreement. Under this structure, if, for instance, a state elected to operate its program through contracts, what would the parental choice requirement involve? Would it just require allowing choice among contracted providers, or would it require the state to open its program to other providers if requested by participants? What would happen if the state elected to only have a single provider for a neighborhood or community?*

Base Year (Sec. 643A(p), page 84): Certain responsibilities and requirements are determined in relation to a base year. The base year is defined as FY 2003. (For simplicity, we substitute "2003" for base year whenever the base year is referred to in the bill.).

Required Services (Sec. 643A(g), pages 66-68): With demonstration grant funds, the state would be required to provide services described in section 641A [this section of current law requires the Secretary to promulgate regulations governing performance standards for comprehensive services and education provided in Head Start programs]—at least as extensive as were provided, and to at least as many children and families in each fiscal year as were

provided such services, with such funds in 2003 in the state (or, if applicable, in the geographic area included in the state program). In addition, a demonstration program would have to include the following comprehensive activities designed to promote school readiness and success in school:

(1) *Child Development and Education*: Activities with enrolled children that promote (A) cognitive development, language development, prereading, and premathematics knowledge and skills; (B) physical development, health, and nutrition (including through coordination with, and referral of, children and families to local health service entities; and (C) social development important for environments constructive for child development, early learning, and school success.

(2) *Parent Education and Involvement*: Activities with the parents of enrolled children directed at enhancing and encouraging (A) involvement in, and ability to support, their children's educational development, (B) parenting skills and understanding of child development, and (C) ability to participate effectively in decisions relating to the education of their children.

(3) *Social and Family Support Services*: Activities directed at securing appropriate social and family support services for enrolled children and their families, primarily through referral and coordination with local, state, and federal entities that provide such services.

Comment: *It isn't clear what services are required under this provision. Our understanding, based in part on public comments by majority subcommittee staff, is that this provision is not intended to require demonstration states to meet current Head Start Performance Standards. This language says that the state must provide the services described in Sec. 641A, at least as extensive and to at least as many children and families as in 2003. Sec. 641A says that the Secretary shall establish "performance standards with respect to services required to be provided, including health, parental involvement, nutritional, social, transition activities described in section 642(d), and other services;" Sec. 641A also requires that the Secretary develop education performance standards. So, it isn't clear whether the reference to Sec. 641A is just saying that there must be health, parental involvement, nutritional, social, and transition activities and other services "as extensive" as were provided in 2003. For example, in the area of health services, Head Start performance standards at 45 C.F.R. Section 1305.20 establish a set of specific requirements relating to determining child health status; screening for developmental, sensory, and behavioral concerns; extended follow-up and treatment; ongoing care; and individualization of the program. Would states need to follow these standards for the number of children and families to which such services were available in 2003? If not, what would be the requirements?*

Indian Head Start Programs, Migrant and Seasonal Head Start Programs, and Early Head Start Excluded (Sec. 643A(g)(4), page 68): The bill says that a demonstration program shall include all Head Start services other than Indian and Migrant and Seasonal programs and Early Head Start services.

Comment: It is unclear from the language whether demonstration states could opt to serve children who would be eligible for Indian Head Start, Migrant and Seasonal Head Start, and Early Head Start services in their demonstration programs.

Records, Reports, and Audits (Sec. 643A(i), page 77): The state agency administering the state program, and each entity participating as a Head Start service provider, would be required to maintain such records, make such reports, and cooperate with such audits as the Secretary may require for oversight of program activities and expenditures.

Comment: The bill does not establish any specific financial, data, or programmatic reporting by demonstration states. Accordingly, any reporting required of states would be determined by the Secretary under this provision.

Provisions Concerning Priority in Designation Inapplicable (Sec. 643A(j), page 78): Provisions of law applicable to priority in designating Head Start agencies, successor agencies, and delegate agencies would not apply to a state demonstration program.

Consultation (Sec. 643A(k), pages 78-79): A state proposing to administer a demonstration program would be required to submit assurances that the plan was developed through timely and meaningful consultation with appropriate public and private sector entities, including: (1) representatives of agencies responsible for administering early education and care programs in the state, including Head Start providers; (2) parents; (3) the state educational agency and local educational agencies; (4) early childhood education professionals; (5) kindergarten teachers and teachers in grades 1 through 4; (6) child welfare agencies; (7) child care resource and referral agencies; (8) child care providers; and (9) a wide array of persons interested in and involved with early care and early education issues in the state, such as representatives of (A) health care professionals, (B) the state agency responsible for the WIC program, (C) institutions of higher education, (D) community-based and faith-based organizations, (E) the business community, (F) state legislators and local officials, (G) museums and libraries, (H) other relevant entities in the state, and (I) other agencies that provide resources for young children.

Comment: This provision would require consultation in development of the state plan, but does not mandate ongoing consultation after submission of the plan. Although the provision would require “timely and meaningful” consultation, there are no specific requirements for notice or public hearings before the plan is submitted.

State Plan Submission and Approval (Sec. 643A(l), pages 79-80): An application would be required to be submitted to the Secretary of HHS, in consultation with the Secretary of Education. The application shall be deemed approved unless the Secretary makes a written determination within a reasonable time, beginning on the date on which the Secretary received the application, that the application is not in compliance with Section 643A.

Comment: This provision says, in effect, that a state’s application will be deemed approved if not acted on within a reasonable period of time. It is unclear how

this provision should be read with earlier provisions limiting the number of states to no more than eight and specifying criteria that must be met in order to enter the demonstration. For example, would this mean that more than eight states could participate if the Secretary failed to act on their applications? And, would this mean that a state's application could be deemed approved even if it did not meet one of the qualifying criteria or its state plan was statutorily deficient?

Also, note that the bill does not specify the criteria that the Secretary would use in determining whether to approve an application, and does not specify what if any recourse a state would have if its application was not approved. The bill says that the application would be submitted to the Secretary of HHS in consultation with the Secretary of Education; this appears to be a drafting error, as presumably it means that the Secretary of HHS should act on the application in consultation with the Secretary of Education.

State Plan Requirements (Sec. 643(h), pages 68-77):

In general: A state proposing to administer a Head Start program under Title II shall submit a state plan to the Secretary of HHS. A state plan shall be in effect for five federal fiscal years. The bill would specify the contents of the state plan (as described below).

***Comment:** The bill does not specify what the significance of the state plan would be after approval. In particular, there is no reference to any requirement to amend the plan during the five year period. In addition, it is unclear whether a state would be required to comply with its state plan, i.e., would a failure to comply with one or more state plan provisions be considered a deficiency?*

- **Lead state agency:** The plan shall identify the entity designated by the Chief Executive Officer of the state as the lead state agency.
- **Geographic area:** The plan shall specify whether the program is statewide. If it is not statewide, the plan must identify the geographic area or areas covered by the plan. The geographic area may be a city, county, standard metropolitan statistical area, or such other geographic area in the state.
- **Program period:** A state program under this section shall be in effect for five federal fiscal years.
- **Program description:** The plan shall describe the services under subsection (f) to be provided in its state program and the arrangements the state proposes to use to provide the service specified in subsection (g).

***Comment:** Subsection (f) details the requirements for "Coordination and Choice." The reference to subsection (f) is likely a drafting error and probably*

should refer to subsection (g), which concerns the required services that must be provided to children and families (see discussion at pages 30-31 of this analysis).

- **Needs assessment:** The plan shall describe the results of a state needs assessment and shall provide an assurance that the state will use the results to identify the needs for early childhood education services within a state or geographic area to be served and is targeting services to those areas of greatest need and to expand and improve services to disadvantaged children in the state.

***Comment:** This amended needs assessment language appears to be limited to an assessment of only early childhood education service needs. It is unclear whether the state would only have to assure that it is identifying, improving, and targeting the needs for early childhood education services or whether other services (such as health, nutritional or family support services) could be part of this assessment.*

- **Assurance of compliance:** The plan shall provide an assurance that the state program will comply with the requirements of Sec. 643A, including each of the following requirements:
 1. **Priority for low-income children:** The requirements established pursuant to section 645(a) [of the current Head Start Act] concerning the eligibility and priority of individuals for participation in Head Start programs.

***Comment:** Section 645(a) requires the Secretary to issue regulations prescribing eligibility for participation in Head Start programs. The eligibility criteria developed by the Secretary may provide that children in families below the poverty line or in families eligible for public assistance (or in the absence of child care would be potentially eligible) are eligible for Head Start. Furthermore, some children with income above this level can also be eligible for Head Start services. The Head Start Performance Standards provide the actual Head Start eligibility requirements. This provision of Title II appears to refer to the current regulatory requirements for Head Start eligibility and priority for participation requiring state demonstration programs to follow Head Start eligibility rules. However, it is unclear if this means that use of Head Start funds would be limited to children meeting Head Start eligibility requirements. If, for instance, a state prekindergarten program had classes in which some children were and others were not Head Start-eligible, would the state need to track this information and only use Head Start funds to pay a pro rata portion of salary of an early childhood teacher?*

2. **Continuation for existing providers:** An applicant who received Head Start funds in prior fiscal years and has not corrected any substantial deficiencies identified in the past five years shall not be eligible to receive any grants, contracts, or cooperative agreements under this section.

Comment: The term “substantial deficiencies” is not defined.

- 3. Participation of children with disabilities:** The requirements pursuant to Section 640(d) concerning Head Start enrollment opportunities and services for children with disabilities.

Comment: Section 640(d) requires the Secretary of HHS to establish policies and procedures to assure that no less than 10 percent of enrollment opportunities are available to children with disabilities and that services are provided to meet their needs. The policies and procedures must require Head Start agencies to coordinate programmatic efforts with efforts to implement Part C (Early Intervention Services for Infants and Toddlers) and Section 619 (Pre-School Services) of IDEA.

- Under this proposed language, would the state now be responsible for developing these policies and procedures or would the current Head Start Performance Standards governing services for children with disabilities apply?
 - Given that the proposed language only specifically references enrollment opportunities and services for children with disabilities, would states also have to ensure that Head Start efforts were coordinated with those of IDEA’s early childhood programs?
 - If a state is operating a unified early childhood education program, would the 10 percent apply to the entire program or just the children served with Head Start funds?
- 4. Provisions concerning fees and copayments:** The provisions of section 645(b) generally barring programs from charging fees or copayments for participation in Head Start, while allowing copayments for expanded services provided if such payments are required in connection with a collaboration.
 - 5. Federal share; state and local matching:** The provisions of section 640(b) limiting federal financial assistance for Head Start programs to 80 percent of program costs, with possible exceptions, and providing for non-federal contributions.

Comment: Section 643A(e)(3) states that non-federal share requirements of states cannot exceed 5 percent. However, under current Section 640(b), federal financial assistance under the Head Start Act is limited to 80 percent of the approved costs of the assisted program or activities. Thus, it is unclear whether the non-federal share requirement under the bill is intended to be 5 percent or 20 percent.

- 6. Administrative costs:** The provisions of section 644(b) limiting administrative costs to 15 percent of program funds.

Comment: Section 644(b) of the Head Start Act states that, except for some purchases of facilities, no Head Start funding will be provided “in any case in which the Secretary determines that the costs of developing and administering a program assisted under this subchapter exceed 15 percent of the total costs, including the required non-Federal contributions to such costs.”

- In addition, section 644(b) provides for the Secretary to determine whether the cost of developing and administering a program exceed 15 percent of the total costs. The Secretary must issue regulations under this section establishing criteria for determining costs. Does the Secretary keep this discretion under this section or would the state get to make these determinations of excessive costs?
- Also, Title I of the bill authorizes \$5 million annually to assist states with administrative expenses associated with implementing demonstration programs under Title II. It is unclear whether a state’s share of the \$5 million would be counted in determining the 15 percent cap.

7. **Federal property interest:** Applicable provisions of the Head Start Act regarding the federal government interest in property (including real property) purchased, leased, or renovated with federal funds.

- **Identification of barriers:** The plan shall identify barriers in the state to the effective use of federal, state, and local public and private funds for early education and care that are available to the state on the date on which the application is submitted.
- **State guidelines for school readiness:** The plan shall include the following aspects of guidelines for school readiness:
 1. **State definition of school readiness.**
 2. **State’s general goals for school readiness:** This includes how the state intends to:
 - a. Promote and maintain ongoing communication and collaboration among providers of early care and education and local education agencies in the state;
 - b. Align early childhood and kindergarten curricula to ensure program continuity; and
 - c. Ensure that children successfully transition to kindergarten.
- **Teacher qualifications:** The plan shall assure that the qualifications and credentials for early childhood teachers meet or exceed the standards in section 648A(a)(2)(A), (B), and (C).

Comment: This provision requires states to assure that their qualification and credential requirements for early childhood teachers meet or exceed the Head Start Act requirements (as amended by Title I) that: (1) 50 percent of Head Start

providers have BA degrees or higher by FY 2008; (2) each Head Start agency (presumably the state) must report to the Secretary on the number and percentage of classroom instructors with child development associate credentials and associate, baccalaureate, or advanced degrees; and (3) within three years after the date of enactment, that all Head Start teachers in center-based programs hired following the date of enactment meet certain educational requirements. (See page 22 for the discussion of this requirement.)

- **Professional development:** The plan shall provide a description of the state plan for assuring the ongoing professional development of early childhood educators and administrators, including how the state intends to:
 1. Improve the competencies of early childhood educators in meeting the cognitive and other developmental needs of young children through effective instructional strategies, methods, and skills;
 2. Develop and implement initiatives to effectively recruit and promote the retention of well-qualified early childhood educators;
 3. Encourage institutions of higher education, providers of community-based training, and other qualified providers to develop high-quality programs to prepare students to be early childhood education professionals; and
 4. Improve the quality of professional development available to meet the needs of teachers that serve preschool children.

- **Quality standards:** The state shall describe the state's standards, applicable to all agencies, programs, and projects that receive funds under this subchapter, including a description of:
 1. Standards with respect to services required to be provided, including health, parental involvement, nutritional, social, transition [to kindergarten] activities (as described in section 642(d) of the Head Start Act), and other services;
 2. Education standards to promote the school readiness of children participating in a state program under the demonstration; and additional education standards to ensure that the children participating in the program, at a minimum, develop and demonstrate: (I) language skills; (II) prereading knowledge and skills, including interest in and appreciation of books, reading, and writing either alone or with others; (III) premathematics knowledge and skills, including aspects of classification, seriation, number, spatial relations, and time; (IV) cognitive abilities related to academic achievement; (V) social development important for environments constructive for child development, early learning, and school success; and (VI) in the case of limited English proficient children, progress toward acquisition of the English language;

3. The state’s minimum standards for early childhood teacher credentials and qualifications;
4. The student-teacher ratio for each age group served;
5. Administrative and financial management standards;
6. Standards relating to the condition and location of facilities for such agencies, programs, and projects; and
7. Such other standards as the state finds to be appropriate.

***Comment:** This section requires states to describe state-defined standards applicable to their demonstration programs. Head Start standards are not applicable except when the bill expressly says they apply. Subsequent language in the bill says that the Secretary may take action against a state based on “deficiencies,” but if a state has described its standards here, it is unclear whether failure to comply with those standards would constitute a “deficiency.”*

- **State accountability system:** In general, the state plan shall:
 1. Ensure that individual providers are achieving results in advancing the knowledge and behaviors identified by the state as prerequisites for kindergarten success; and
 2. Specify the measures the state will use to evaluate the progress toward achieving such results and the effectiveness of the state program under Title II and of individual providers in such program.
- **Publication of results:** The results shall be made publicly available in the communities served by the program, subject to privacy safeguards ensuring that data and results are in aggregated form and do not include information allowing identification of individual children.

***Comment:** The accountability system language envisions that the state will have measures of progress for individual providers and for the state program as a whole. Thus, accountability would be in relation to state-determined measures, rather than national standards. Moreover, since each state would develop its own measures, it appears that there would be no common national measures, which could present difficulties in comparing results across states.*

The evaluation (described at page 39) doesn’t seem to call for or require common national measures, because the evaluation would rely on looking at changes in the demonstration states over time, rather than comparing the demonstration states to non-demonstration states.

States would need to specify their program measures in their state plans and to make “the results” available in the communities served by the program. It is not entirely clear whether “the results” would include both individual provider measures and state program measures. In any case, unless the Secretary opted to require reporting of the results to the Secretary, the state would not be required to make its results available beyond the communities served in the program.

Subsequent language in the bill says that the Secretary may take action against a state based on “deficiencies,” but it is not clear whether failure to make progress based on the state’s specified measures would constitute a deficiency.

- **Transition plan:** The initial state plan shall make provision for transition from the current direct federal Head Start program to the demonstration program.
- **Cooperation with research studies:** The plan shall provide assurances that the state will cooperate with research activities described in Section 649 of the Head Start Act, which governs the National Head Start Impact study and other research and evaluation determined by the Secretary (see discussion on p. 22 of this analysis for changes Title I proposes to Section 649).
- **Maintenance of effort:** The plan shall:
 1. Assure that the resources (which may be cash or in-kind) contributed by the state government to child care for preschool-aged children and other preschool programs, including Head Start, in the state (or, if applicable, in the geographic area included in the state program) for each fiscal year in which the demonstration program is in effect shall be at least equal to the total amount of such state governmental resources contributed to support such programs in the state or geographic area in 2003; and
 2. Contain a commitment to provide data, at such times and in such format as the Secretary requires, concerning non-federal expenditures and numbers of children and families served in preschool and Head Start programs during 2003 and each fiscal year covered in the state plan, sufficient to satisfy the Secretary that the state program will meet its maintenance of effort requirement.

Comment: *For a statewide demonstration program, the maintenance of effort level under the bill would be the amount of “resources contributed by the state government” in 2003 for “child care for preschool-aged children and other preschool programs.”*

- *The bill doesn’t otherwise define the terms in quotation marks.*
- *A state would need to make a commitment to provide data concerning base and subsequent-year non-federal expenditures, but would not be required to specify in its state plan its base expenditure level or how the base expenditure level was determined.*

- *The maintenance of effort requirement appears to govern only “resources contributed by the state government” while the data requirement refers to “non-federal expenditures.” It is not clear why there is a difference between what the actual maintenance of effort requirement is and the data the state must submit to ensure that it is in compliance with this requirement.*
- *The state would need to provide the information if requested, but would not otherwise be required to routinely report on maintenance of effort compliance.*
- **Training and technical assistance:** The state plan shall describe the training and technical assistance activities that shall provide high-quality, sustained, intensive, and classroom-focused training and technical assistance in order to have a positive and lasting impact on classroom instruction.

Treatment of Funds (Sec. 643A(m), p. 80): If a state or local government contributes its own funds to supplement activities carried out under the applicable programs, the state or local government has the option to separate out the Federal funds or commingle them. If the funds are commingled, the provisions of this subchapter shall apply to all of the commingled funds in the same manner, and to the same extent as the provisions apply to the Federal funds.

Federal Oversight (Sec. 643A(n)(1), p. 80): The Secretary would retain the authority to oversee the operation of the state demonstration program, including review of records and reports, audits, and on-site inspection of records and facilities and monitoring of program activities and operations.

Corrective Action and Withdrawal of Approval (Sec. 643A(n)(2), (3), (4), pages 80-82): If the Secretary determined that a state program was substantially failing to meet the requirements of Sec. 643A, the Secretary would notify the state of the deficiencies and require corrective action.

- The Secretary would require immediate corrective action to eliminate a deficiency that the Secretary finds threatens the health or safety of staff or program participants or poses a threat to the integrity of federal funds.
- For other deficiencies, the Secretary, after taking into consideration the nature and magnitude of the deficiency and the time reasonably required for correction, could:
 - require the state to correct the deficiency within 90 days after notification; or
 - require the state to implement a quality improvement plan designed to correct the deficiency within one year from identification of the deficiency.
- If the deficiencies are not corrected by the deadlines established by the Secretary, the Secretary shall initiate proceedings to withdraw approval of the state demonstration program.
- A state subject to adverse action would have the same procedural rights as a Head Start agency subject to adverse action.

Comment: *Corrective action requirements and potential withdrawal of approval would be based on a state “substantially failing” to meet the requirements of*

Section 643A. Thus, in those instances in which Section 643A imposes direct requirements (e.g., non-federal match requirements, allowable use of funds, parental choice, required services), it seems clear that substantial failure to meet the requirements could be the basis for the Secretary's action. It is unclear whether a state's failure to comply with its state plan would constitute a failure to substantially comply with Section 643A.

Independent Evaluation (Sec. 643A(o)(1)-(3), pages 82-83): The Secretary of HHS would be required to contract with an independent organization to design and conduct a multi-year, rigorous, scientifically valid, quantitative evaluation of the state demonstration program:

- The Secretary would be required to award a contract within 180 days of enactment to an organization capable of designing and carrying out an independent evaluation;
- The evaluation must include each participating state, including:
 - A quantitative description of the state prekindergarten program and Head Start programs within the state, as such programs existed prior to participation in the state demonstration program, including:
 - data on the characteristics of the children served, including the overall number and percentages of children served disaggregated by socioeconomic status, race, and ethnicity;
 - quality and characteristics of the services provided to such children; and
 - education attainment of instructional staff.
 - A quantitative and qualitative description of the state program after each year of participation in the state demonstration, which must include:
 - a description of changes in the administration of the state program, including the Head Start program, within such state;
 - the rate of progress of the state in improving the school readiness of disadvantaged children in the key domains of development;
 - the baseline data described above, as updated annually; and
 - the extent to which each state has met the goals established by the state “with respect to annual goals as described under section 643(h)(10).”

***Comment:** The reference to Sec. 643(h)(10) appears to be in error; there is not a Sec. 643(h)(10), and Sec. 643A(h)(10) relates to state plans for professional development and does not refer to annual goals.*

Reports by Secretary (Sec. 643A(o)(4), page 84): The Secretary would be required to submit an interim and a final report to the House Education and Workforce Committee and the Senate Health, Education, Labor, and Pensions Committee. The Secretary would be required to submit:

- an interim report by October 1, 2006, on evaluation progress and progress of participating states in increasing the availability of high-quality prekindergarten services for low-income children; and
- a final report by October 1, 2007, with an overall evaluation of the state demonstration program, including an assessment of its success in increasing the overall availability of high-quality prekindergarten services for low-income children in each of the participating states as compared to a representative sample of non-participating states.