

(b) Federal share**(1) In general**

The Federal share of the cost described in subsections (a) and (e) of this section shall be 85 percent for the first and second years of the grant, 80 percent for the third and fourth years of the grant, and 75 percent for the fifth and subsequent years of the grant.

(2) Non-Federal share

The non-Federal share of the cost described in subsections (a) and (e) of this section may be contributed in cash or in kind, fairly evaluated, including facilities, equipment, or services, which may be provided from State or local public sources, or through donations from private entities. For the purposes of this paragraph the term “facilities” includes the use of facilities, but the term “equipment” means donated equipment and not the use of equipment.

(c) Maintenance of effort

The Secretary shall not award a grant under this chapter to any State unless the Secretary first determines that the total expenditures by the State and its political subdivisions to support early learning programs (other than funds used to pay the non-Federal share under subsection (b)(2) of this section) for the fiscal year for which the determination is made is equal to or greater than such expenditures for the preceding fiscal year.

(d) Supplement not supplant

Amounts received under this chapter shall be used to supplement and not supplant other Federal, State, and local public funds expended to promote early learning.

(e) Special rule

If funds appropriated to carry out this chapter are less than \$150,000,000 for any fiscal year, the Secretary shall award grants for the fiscal year directly to Local Councils, on a competitive basis, to pay the Federal share of the cost of carrying out early learning programs in the locality served by the Local Council. In carrying out the preceding sentence—

(1) subsection (c) of this section, subsections (b) and (c) of section 9409 of this title, and paragraphs (1), (2), and (3) of section 9410(a) of this title shall not apply;

(2) State responsibilities described in section 9410(d) of this title shall be carried out by the Local Council with regard to the locality;

(3) the Secretary shall provide such technical assistance and monitoring as necessary to ensure that the use of the funds by Local Councils and the distribution of the funds to Local Councils are consistent with this chapter; and

(4) subject to paragraph (1), the Secretary shall assume the responsibilities of the Lead State Agency under this chapter, as appropriate.

(Pub. L. 106-554, §1(a)(1) [title VIII, §807], Dec. 21, 2000, 114 Stat. 2763, 2763A-82.)

§ 9407. Uses of funds**(a) In general**

Subject to section 9409 of this title, grant funds under this chapter shall be used to pay for

developing, operating, or enhancing voluntary early learning programs that are likely to produce sustained gains in early learning.

(b) Limited uses

Subject to section 9409 of this title, Lead State Agencies and Local Councils shall ensure that funds made available under this chapter to the agencies and Local Councils are used for three or more of the following activities:

(1) Helping parents, caregivers, child care providers, and educators increase their capacity to facilitate the development of cognitive, language comprehension, expressive language, social-emotional, and motor skills, and promote learning readiness.

(2) Promoting effective parenting.

(3) Enhancing early childhood literacy.

(4) Developing linkages among early learning programs within a community and between early learning programs and health care services for young children.

(5) Increasing access to early learning opportunities for young children with special needs, including developmental delays, by facilitating coordination with other programs serving such young children.

(6) Increasing access to existing early learning programs by expanding the days or times that the young children are served, by expanding the number of young children served, or by improving the affordability of the programs for low-income families.

(7) Improving the quality of early learning programs through professional development and training activities, increased compensation, and recruitment and retention incentives, for early learning providers.

(8) Removing ancillary barriers to early learning, including transportation difficulties and absence of programs during nontraditional work times.

(c) Requirements

Each Lead State Agency designated under section 9409(c) of this title and Local Councils receiving a grant under this chapter shall ensure—

(1) that Local Councils described in section 9413 of this title work with local educational agencies to identify cognitive, social, emotional, and motor developmental abilities which are necessary to support children's readiness for school;

(2) that the programs, services, and activities assisted under this chapter will represent developmentally appropriate steps toward the acquisition of those abilities; and

(3) that the programs, services, and activities assisted under this chapter collectively provide benefits for children cared for in their own homes as well as children placed in the care of others.

(d) Sliding scale payments

States and Local Councils receiving assistance under this chapter shall ensure that programs, services, and activities assisted under this chapter which customarily require a payment for such programs, services, or activities, adjust the cost of such programs, services, and activities provided to the individual or the individual's child based on the individual's ability to pay.

(Pub. L. 106-554, §1(a)(1) [title VIII, §808], Dec. 21, 2000, 114 Stat. 2763, 2763A-83.)

§ 9408. Reservations and allotments

(a) Reservation for Indian tribes, Alaska Natives, and Native Hawaiians

The Secretary shall reserve 1 percent of the total amount appropriated under section 9404 of this title for each fiscal year, to be allotted to Indian tribes, Regional Corporations, and Native Hawaiian entities, of which—

(1) 0.5 percent shall be available to Indian tribes; and

(2) 0.5 percent shall be available to Regional Corporations and Native Hawaiian entities.

(b) Allotments

From the funds appropriated under this chapter for each fiscal year that are not reserved under subsection (a) of this section, the Secretary shall allot to each State the sum of—

(1) an amount that bears the same ratio to 50 percent of such funds as the number of children 4 years of age and younger in the State bears to the number of such children in all States; and

(2) an amount that bears the same ratio to 50 percent of such funds as the number of children 4 years of age and younger living in families with incomes below the poverty line in the State bears to the number of such children in all States.

(c) Minimum allotment

No State shall receive an allotment under subsection (b) of this section for a fiscal year in an amount that is less than .40 percent of the total amount appropriated for the fiscal year under this chapter.

(d) Availability of funds

Any portion of the allotment to a State that is not expended for activities under this chapter in the fiscal year for which the allotment is made shall remain available to the State for two additional years, after which any unexpended funds shall be returned to the Secretary. The Secretary shall use the returned funds to carry out a discretionary grant program for research-based early learning demonstration projects.

(e) Data

The Secretary shall make allotments under this chapter on the basis of the most recent data available to the Secretary.

(Pub. L. 106-554, §1(a)(1) [title VIII, §809], Dec. 21, 2000, 114 Stat. 2763, 2763A-84.)

§ 9409. Grant administration

(a) Federal administrative costs

The Secretary may use not more than 3 percent of the amount appropriated under section 9404 of this title for a fiscal year to pay for the administrative costs of carrying out this chapter, including the monitoring and evaluation of State and local efforts.

(b) State administrative costs

A State that receives a grant under this chapter may use—

(1) not more than 2 percent of the funds made available through the grant to carry out

activities designed to coordinate early learning programs on the State level, including programs funded or operated by the State educational agency, health, children and family, and human service agencies, and any State-level collaboration or coordination council involving early learning and education, such as the entities funded under section 9835(a)(2)(B)(vi) of title 42;

(2) not more than 2 percent of the funds made available through the grant for the administrative costs of carrying out the grant program and the costs of reporting State and local efforts to the Secretary; and

(3) not more than 3 percent of the funds made available through the grant for training, technical assistance, and wage incentives provided by the State to Local Councils.

(c) Lead State Agency

(1) In general

To be eligible to receive an allotment under this chapter, the Governor of a State shall appoint, after consultation with the leadership of the State legislature, a Lead State Agency to carry out the functions described in paragraph (2).

(2) Lead State Agency

(A) Allocation of funds

The Lead State Agency described in paragraph (1) shall allocate funds to Local Councils as described in section 9411 of this title.

(B) Functions of agency

In addition to allocating funds pursuant to subparagraph (A), the Lead State Agency shall—

(i) advise and assist Local Councils in the performance of their duties under this chapter;

(ii) develop and submit the State application;

(iii) evaluate and approve applications submitted by Local Councils under section 9412 of this title;

(iv) ensure collaboration with respect to assistance provided under this chapter between the State agency responsible for education and the State agency responsible for children and family services;

(v) prepare and submit to the Secretary, an annual report on the activities carried out in the State under this chapter, which shall include a statement describing how all funds received under this chapter are expended and documentation of the effects that resources under this chapter have had on—

(I) parental capacity to improve learning readiness in their young children;

(II) early childhood literacy;

(III) linkages among early learning programs;

(IV) linkages between early learning programs and health care services for young children;

(V) access to early learning activities for young children with special needs;

(VI) access to existing early learning programs through expansion of the days or times that children are served;