

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), 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) 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