

105TH CONGRESS
2D SESSION

H. R. 3727

To provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession, to provide loan cancellation for certain child care providers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 1998

Mr. LAZIO of New York (for himself, Mr. QUINN, Mr. HORN, and Mr. BOEHLERT) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession, to provide loan cancellation for certain child care providers, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Quality Child Care
5 Loan Forgiveness Act”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) New scientific research shows that the elec-
2 trical activity of brain cells actually changes the
3 physical structure of the brain, and that without a
4 stimulating environment, a baby's brain suffers.

5 (2) 12,000,000 children under age 6, and
6 17,000,000 school-aged children of working parents,
7 need child care. Demand for child care is growing as
8 more mothers enter the workforce.

9 (3) Good quality child care, in a safe environ-
10 ment, with trained, caring providers who offer stim-
11 ulating activities appropriate to the child's age, help
12 children grow and thrive. Recent research shows
13 that most child care needs significant improvement.

14 (4) Good quality child care depends largely on
15 the provider. Yet providers of child care earn on av-
16 erage only \$6.70 per hour or \$11,725 per year. Such
17 earnings cause high turnover, which affects the over-
18 all quality of a child care program and causes anxi-
19 ety for children.

20 (5) Children attending lower-quality child care
21 facilities and child care facilities with high staff
22 turnover are less competent in language and social
23 development.

1 (6) Low-income and high-income children are
2 more likely than middle-income children to attend
3 child care facilities providing high quality child care.

4 (7) The quality of child care is primarily related
5 to high staff-to-child ratios, staff education, and ad-
6 ministrators' prior experience. In addition, certain
7 characteristics distinguish poor, mediocre, and good-
8 quality child care facilities, the most important of
9 which are teacher wages, education, and specialized
10 training.

11 **SEC. 3. PURPOSES.**

12 The purposes of this Act are—

13 (1) to bring more highly trained individuals into
14 the early child care profession; and

15 (2) to keep more highly trained child care pro-
16 viders in the early child care field for longer periods
17 of time.

18 **SEC. 4. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.**

19 Part B of the Higher Education Act of 1965 (20
20 U.S.C. 1071 et seq.) is amended by inserting after section
21 428J of such Act (20 U.S.C. 1078–10) the following:

22 **“SEC. 428I. LOAN FORGIVENESS FOR CHILD CARE PROVID-**
23 **ERS.**

24 “(a) DEFINITIONS.—In this section:

1 “(1) CHILD CARE FACILITY.—The term ‘child
2 care facility’ means a facility that—

3 “(A) provides child care services; and

4 “(B) meets applicable State or local gov-
5 ernment licensing, certification, approval, or
6 registration requirements, if any.

7 “(2) CHILD CARE SERVICES.—The term ‘child
8 care services’ means activities and services provided
9 for the education and care of children from birth
10 through age 5 by an individual who has a degree in
11 early childhood education.

12 “(3) DEGREE.—The term ‘degree’ means an as-
13 sociate’s or bachelor’s degree awarded by an institu-
14 tion of higher education.

15 “(4) EARLY CHILDHOOD EDUCATION.—The
16 term ‘early childhood education’ means education in
17 the areas of early child education, child care, or any
18 other educational area related to child care that the
19 Secretary determines appropriate.

20 “(5) INSTITUTION OF HIGHER EDUCATION.—
21 The term ‘institution of higher education’ has the
22 meaning given the term in section 1201.

23 “(b) DEMONSTRATION PROGRAM.—

24 “(1) IN GENERAL.—The Secretary may carry
25 out a demonstration program of assuming the obli-

1 gation to repay, pursuant to subsection (c), a loan
 2 made, insured or guaranteed under this part or part
 3 D (excluding loans made under sections 428B and
 4 428C) for any new borrower after October 1, 1994,
 5 who completes a degree in early childhood education
 6 and obtains full-time employment in a child care fa-
 7 cility.

8 “(2) AWARD BASIS; PRIORITY.—

9 “(A) AWARD BASIS.—Subject to subpara-
 10 graph (B), loan repayment under this section
 11 shall be on a first-come, first-served basis and
 12 subject to the availability of appropriations.

13 “(B) PRIORITY.—The Secretary shall give
 14 priority in providing loan repayment under this
 15 section for a fiscal year to student borrowers
 16 who received loan repayment under this section
 17 for the preceding fiscal year.

18 “(3) REGULATIONS.—The Secretary is author-
 19 ized to prescribe such regulations as may be nec-
 20 essary to carry out the provisions of this section.

21 “(c) LOAN REPAYMENT.—

22 “(1) IN GENERAL.—The Secretary shall assume
 23 the obligation to repay 15 percent of the total
 24 amount of all loans made after October 1, 1994, to
 25 a student under this part or part D for each com-

1 plete year of employment described in subsection
2 (b)(1).

3 “(2) CONSTRUCTION.—Nothing in this section
4 shall be construed to authorize the refunding of any
5 repayment of a loan made under this part or part
6 D.

7 “(3) INTEREST.—If a portion of a loan is re-
8 paid by the Secretary under this section for any
9 year, the proportionate amount of interest on such
10 loan which accrues for such year shall be repaid by
11 the Secretary.

12 “(4) SPECIAL RULE.—In the case where a stu-
13 dent borrower who is not participating in loan repay-
14 ment pursuant to this section returns to an institu-
15 tion of higher education after graduation from an in-
16 stitution of higher education for the purpose of ob-
17 taining a degree in early childhood education, the
18 Secretary is authorized to assume the obligation to
19 repay the total amount of loans made under this
20 part or part D incurred for a maximum of two aca-
21 demic years in returning to an institution of higher
22 education for the purpose of obtaining a degree in
23 early childhood education. Such loans shall only be
24 repaid for borrowers who qualify for loan repayment
25 pursuant to the provisions of this section, and shall

1 be repaid in accordance with the provisions of para-
2 graph (1).

3 “(5) INELIGIBILITY OF NATIONAL SERVICE
4 AWARD RECIPIENTS.—No student borrower may, for
5 the same volunteer service, receive a benefit under
6 both this section and subtitle D of title I of the Na-
7 tional and Community Service Act of 1990 (42
8 U.S.C. 12601 et seq.).

9 “(d) REPAYMENT TO ELIGIBLE LENDERS.—The Sec-
10 retary shall pay to each eligible lender or holder for each
11 fiscal year an amount equal to the aggregate amount of
12 loans which are subject to the repayment pursuant to this
13 section for such year.

14 “(e) APPLICATION FOR REPAYMENT.—

15 “(1) IN GENERAL.—Each eligible individual de-
16 siring loan repayment under this section shall sub-
17 mit a complete and accurate application to the Sec-
18 retary at such time, in such manner, and containing
19 such information as the Secretary may require.

20 “(2) CONDITIONS.—An eligible individual may
21 apply for loan repayment under this section after
22 completing each year of qualifying employment. The
23 borrower shall receive forbearance while engaged in
24 qualifying employment unless the borrower is in
25 deferment while so engaged.

1 “(f) EVALUATION.—

2 “(1) IN GENERAL.—The Secretary shall con-
3 duct, by grant or contract, an independent national
4 evaluation of the impact of the demonstration pro-
5 gram assisted under this section on the field of early
6 childhood education.

7 “(2) COMPETITIVE BASIS.—The grant or con-
8 tract described in subsection (a) shall be awarded on
9 a competitive basis.

10 “(3) CONTENTS.—The evaluation described in
11 this subsection shall—

12 “(A) determine the number of individuals
13 who were encouraged by the demonstration pro-
14 gram assisted under this section to pursue early
15 childhood education;

16 “(B) determine the number of individuals
17 who remain employed in a child care facility as
18 a result of participation in the program;

19 “(C) identify the barriers to the effective-
20 ness of the program;

21 “(D) assess the cost-effectiveness of the
22 program in improving the quality of—

23 “(i) early childhood education; and

24 “(ii) child care services;

1 “(E) identify the reasons why participants
2 in the program have chosen to take part in the
3 program;

4 “(F) identify the number of individuals
5 participating in the program who received an
6 associate’s degree and the number of such indi-
7 viduals who received a bachelor’s degree; and

8 “(G) identify the number of years each in-
9 dividual participates in the program.

10 “(4) INTERIM AND FINAL EVALUATION RE-
11 PORTS.—The Secretary shall prepare and submit to
12 the President and the Congress such interim reports
13 regarding the evaluation described in this subsection
14 as the Secretary deems appropriate, and shall pre-
15 pare and so submit a final report regarding the eval-
16 uation by January 1, 2002.

17 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated to carry out this section
19 \$10,000,000 for fiscal year 1998, and such sums as may
20 be necessary for each of the 4 succeeding fiscal years.”.

21 **SEC. 5. LOAN CANCELLATION.**

22 Section 465(a) of the Higher Education Act of 1965
23 (20 U.S.C. 1087ee(a)) is amended—

24 (1) in paragraph (2)—

1 (A) by redesignating subparagraphs (G),
2 (H), and (I) as subparagraphs (H), (I), and
3 (J), respectively; and

4 (B) by inserting after subparagraph (F),
5 the following:

6 “(G) as a full-time child care provider or
7 educator—

8 “(i) in a child care facility operated by
9 an entity that meets the applicable State
10 or local government licensing, certification,
11 approval, or registration requirements, if
12 any; and

13 “(ii) who has a degree in early child-
14 hood education;”; and

15 (2) in paragraph (3)(A)—

16 (A) in clause (i), by striking “(G), (H), or
17 (I)” and inserting “(H), (I), or (J)”; and

18 (B) in clause (ii), by inserting “or (G)”
19 after “subparagraph (B)”.

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