

105TH CONGRESS  
1ST SESSION

# S. 1029

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.

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## IN THE SENATE OF THE UNITED STATES

JULY 17, 1997

Mr. DEWINE (for himself and Mr. WELLSTONE) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

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## 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-

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

“(2) AWARD BASIS; PRIORITY.—

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

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

“(3) REGULATIONS.—The Secretary is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section.

“(c) LOAN REPAYMENT.—

“(1) IN GENERAL.—The Secretary shall assume the obligation to repay 15 percent of the total amount of all loans made after October 1, 1994, to 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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