

107<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3524

To amend the Child Care and Development Block Grant Act of 1990 to provide access to early care and education so that families can work and children can receive quality custodial care.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2001

Mr. GEORGE MILLER of California (for himself, Mr. ANDREWS, Mr. OWENS, Mr. MORAN of Virginia, Mr. HINOJOSA, Ms. LEE, Mr. FRANK, Ms. WOOLSEY, Mr. GREEN of Texas, Mr. KILDEE, Ms. MCCOLLUM, Mr. ABERCROMBIE, Mr. MCGOVERN, Ms. DELAURO, Mr. NADLER, Mr. BROWN of Ohio, Mr. STARK, and Mrs. MCCARTHY of New York) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Child Care and Development Block Grant Act of 1990 to provide access to early care and education so that families can work and children can receive quality custodial care.

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



1 (1) in the heading by striking “AND GOALS”  
2 and inserting “, **PURPOSE, AND GOALS**”;

3 (2) in subsection (b)—

4 (A) in subparagraph (4) by striking “and”  
5 at the end;

6 (B) in subparagraph (5) by striking the  
7 period at the end and inserting “; and”; and

8 (C) by adding the end the following:

9 “(6) to assist States to provide access to high  
10 quality child care that promotes early learning and  
11 facilitates school readiness.”; and

12 (D) by redesignating such subsection as  
13 subsection (c); and

14 (3) by inserting after subsection (a) the fol-  
15 lowing:

16 “(b) STATEMENT OF PURPOSE.—It is the purpose of  
17 this subchapter to provide low-income families access to  
18 safe, quality child care so that families can work and  
19 young children can receive the high quality early care and  
20 learning they need to start school ready to learn and  
21 school-age children can receive after-school care and en-  
22 richment.”.

23 **SEC. 102. AUTHORIZATION OF APPROPRIATIONS.**

24 (a) CHILD CARE AND DEVELOPMENT BLOCK GRANT  
25 ACT OF 1990.—Section 658B of the Child Care and De-

1 velopment Block Grant Act of 1990 (42 U.S.C. 9858) is  
2 amended to read as follows:

3 **“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS;**  
4 **AMOUNTS AVAILABLE FOR INCENTIVE**  
5 **GRANTS TO IMPROVE QUALITY OF CHILD**  
6 **CARE SERVICES.**

7       “(a) AUTHORIZATION OF APPROPRIATIONS.—There  
8 are authorized to be appropriated to carry out this  
9 subchapter—

10               “(1) \$4,000,000,000 for each of the fiscal year  
11       2003;

12               “(2) \$5,000,000,000 for each of the fiscal year  
13       2004;

14               “(3) \$6,000,000,000 for each of the fiscal year  
15       2005;

16               “(4) \$7,000,000,000 for each of the fiscal year  
17       2006; and

18               “(5) \$8,000,000,000 for each of the fiscal year  
19       2007.

20       “(b) AMOUNTS AVAILABLE FOR INCENTIVE GRANTS  
21 TO IMPROVE QUALITY OF CHILD CARE SERVICES.—Of  
22 the amounts made available under section 418(c)(2) of the  
23 Social Security Act (42 U.S.C. 618(c)(2)) to carry out ac-  
24 tivities under this subchapter—

25               “(1) \$500,000,000 for fiscal year 2003;

1 “(2) \$500,000,000 for fiscal year 2004;

2 “(3) \$500,000,000 for fiscal year 2005;

3 “(4) \$750,000,000 for fiscal year 2006; and

4 “(5) \$750,000,000 for fiscal year 2007;

5 shall be used to make grants under section 658H after  
6 reserving the amounts required by section 658O(a)(3).”.

7 (b) SOCIAL SECURITY ACT.—Section 418 of the So-  
8 cial Security Act (42 U.S.C. 618) is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (1) by inserting “and  
11 subsection (c)(2)” after “paragraph (3)”; and

12 (B) in paragraph (3) by striking subpara-  
13 graphs (A) through (F) and inserting the fol-  
14 lowing:

15 “(A) \$4,217,000,000 for fiscal year 2003;

16 “(B) \$5,317,000,000 for fiscal year 2004;

17 “(C) \$6,417,000,000 for fiscal year 2005;

18 “(D) \$7,517,000,000 for fiscal year 2006;

19 and

20 “(E) \$8,617,000,000 for fiscal year  
21 2007.”; and

22 (2) in subsection (c)—

23 (A) by inserting “(1)” before “Notwith-  
24 standing”;

1 (B) by inserting “and except as provided  
2 in paragraph (2)” after “law”; and

3 (C) by adding at the end the following:

4 “(2) Notwithstanding any other provision of law,  
5 from the amounts appropriated under subsection (a)(3)  
6 for fiscal years 2003 through 2007, the Secretary shall  
7 carry out section 658B(b) of the Child Care and Develop-  
8 ment Block Grant Act of 1990 (42 U.S.C. 9858(b)).”.

9 **SEC. 103. STATE PLAN REQUIREMENTS.**

10 Section 658E(c)(2) of the Child Care and Develop-  
11 ment Block Grant Act of 1990 (42 U.S.C. 9858c(c)(2))  
12 is amended—

13 (1) in subparagraph (A)—

14 (A) in clause (ii) by striking “and” at the  
15 end;

16 (B) in clause (iii) by adding “and” at the  
17 end; and

18 (C) by inserting after clause (iii) the fol-  
19 lowing:

20 “(iv) in order to help ensure that par-  
21 ents have the freedom to choose quality  
22 center-based child care services, the State  
23 shall make significant effort to develop  
24 contracts with accredited child care pro-

1           viders in low-income and rural commu-  
2           nities;”;

3           (2) by amending subparagraph (D) to read as  
4 follows:

5           “(D) CONSUMER EDUCATION INFORMA-  
6           TION.—Certify that the State will collect and  
7           disseminate to parents of eligible children and  
8           the general public, consumer education informa-  
9           tion that will promote informed child care  
10          choices, and describe how the State will inform  
11          parents receiving assistance under a State pro-  
12          gram funded under part A of title IV of the So-  
13          cial Security Act (42 U.S.C. 601 et seq.) and  
14          other low-income parents about eligibility for  
15          assistance under this subchapter.”;

16          (3) by amending subparagraph (H) to read as  
17 follows:

18          “(H) MEETING THE NEEDS OF CERTAIN  
19          POPULATIONS.—Demonstrate the manner in  
20          which the State will meet the specific child care  
21          needs of families who are receiving assistance  
22          under a State program under part A of title IV  
23          of the Social Security Act, families who are at-  
24          tempting through work activities to transition  
25          off of such assistance program, families with

1 children with special needs, low-income families  
2 not receiving cash assistance under a State pro-  
3 gram under part A of title IV of the Social Se-  
4 curity Act, and families that are at risk of be-  
5 coming dependent on such assistance.”; and  
6 (4) by adding at the end the following:

7 “(I) AVAILABILITY OF STAFF.—Describe  
8 how the State will ensure that staff from the  
9 lead agency described in section 658D will be  
10 available, at the offices of the State program  
11 funded under part A of title IV of the Social  
12 Security Act, to provide information about eligi-  
13 bility for assistance under this subchapter and  
14 to assist individuals in applying for such assist-  
15 ance.

16 “(J) ELIGIBILITY REDETERMINATION.—  
17 Demonstrate that each child that receives as-  
18 sistance under this subchapter in the State will  
19 receive such assistance for not less than 1 year  
20 before the State redetermines the eligibility of  
21 the child under this subchapter.

22 “(K) ESTABLISHMENT OF TRAINING RE-  
23 QUIREMENTS.—Certify that there are training  
24 requirements in effect within the State, under  
25 State or local law, that are designed to support



1 the learning and development of children and  
2 that are applicable to all child care providers  
3 that provide services for which assistance is  
4 made available under this subchapter. Such re-  
5 quirements shall include requirements relating  
6 to preservice training in childhood development.  
7 Such training shall be relevant to the ages of  
8 the children for whom such provider delivers  
9 care.

10 “(i) For States that do not presently  
11 require preservice training in child develop-  
12 ment meeting the requirements specified in  
13 this subparagraph—

14 “(I) the State shall submit as  
15 part of its plan, how it will ensure  
16 that this subparagraph is imple-  
17 mented not later than 1 year after the  
18 date of the enactment of Child Devel-  
19 opment and Family Employment Act  
20 of 2002; and

21 “(II) the State may elect for a  
22 child care provider who is not required  
23 to be registered, licensed, or regulated  
24 but who must comply with section  
25 658E(c)(F), to consider inservice

1 training in child development that is  
2 completed not later than 60 days after  
3 a child’s first day of enrollment with  
4 such provider, as compliance with this  
5 subparagraph.

6 “(ii) Nothing in clause (i) shall be  
7 considered to preempt or supersede any  
8 State or local law that requires child care  
9 providers to have preservice training in  
10 child development.

11 “(L) INSURING THE SAFETY OF CHIL-  
12 DREN.—Certify that there are requirements in  
13 effect within the State, under State or local  
14 law, that require that evaluators from an appro-  
15 priate State or local agency make not less than  
16 2 unannounced visits annually to each child  
17 care provider in the State that provides services  
18 for which assistance is made available under  
19 this subchapter. A State may elect to exempt  
20 from this subparagraph child care providers  
21 who are not required to be licensed or regulated  
22 but who are required to comply with subpara-  
23 graph (F).

24 “(M) SUPPLEMENT NOT SUPPLANT.—Pro-  
25 vide assurances that the amounts paid to a

1 State under this subchapter shall be used to  
2 supplement and not supplant other State or  
3 local funds expended or otherwise available to  
4 support payments for child care assistance and  
5 to increase the quality of available child care  
6 for eligible families under this subchapter.”.

7 **SEC. 104. PAYMENT RATES.**

8 Section 658E(c)(4)(A) of the Child Care and Devel-  
9 opment Block Grant Act of 1990 (42 U.S.C.  
10 9858c(c)(4)(A)) is amended—

11 (1) by striking “such access” and inserting  
12 “equal access to comparable quality and types of  
13 services”; and

14 (2) by adding at the end the following:

15 “(i) Market rate surveys (that reflect  
16 variations in the cost of child care services  
17 by locality) shall be conducted by the State  
18 not less often than at 2-year intervals, and  
19 the results of such surveys shall be used to  
20 implement payment rates that ensure equal  
21 access to comparable services as required  
22 by this subparagraph.

23 “(ii) Payment rates shall be adjusted  
24 at intervals between such surveys to reflect

1 increases in the cost of living, in such  
2 manner as the Secretary may specify.

3 “(iii) Payment rates shall reflect vari-  
4 ations in the cost of providing child care  
5 services for children of different ages and  
6 providing different types of care.”.

7 **SEC. 105. CHILD CARE ACCOUNTABILITY IMPROVEMENTS.**

8 Section 658G of the Child Care and Development  
9 Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

10 (1) by amending the heading to read as follows:

11 **“SEC. 658G. CHILD CARE ACCOUNTABILITY IMPROVE-  
12 MENTS.”,**

13 (2) by amending the matter following the sec-  
14 tion heading to read as follows:

15 **“(a) ACTIVITIES TO IMPROVE THE QUALITY OF  
16 CHILD CARE.—**

17 **“(1) IN GENERAL.—**A State that receives funds  
18 to carry out this subchapter shall reserve and use  
19 not less than 16 percent of the funds for improve-  
20 ments in the quality of child care services provided  
21 in the State and in political subdivisions of the  
22 State.

23 **“(A)** Not less than 35 percent of the funds  
24 reserved under this paragraph shall be used for  
25 activities that are designed to increase the qual-

1           ity and supply of child care services for children  
2           from birth through 3 years of age.

3           “(B) Funds reserved under this paragraph  
4           shall be used for 1 or more activities consisting  
5           of—

6                   “(i) providing directly, or providing fi-  
7                   nancial assistance to private nonprofit or-  
8                   ganizations or public entities (including  
9                   units of general purpose local government)  
10                  for the development, establishment, expan-  
11                  sion, operation, and coordination of, child  
12                  care resource and referral services;

13                   “(ii) making grants or providing loans  
14                   to eligible child care providers to assist the  
15                   providers in meeting applicable State and  
16                   local child care standards and recognized  
17                   accreditation standards;

18                   “(iii) improving the ability of State or  
19                   local government, as applicable, to monitor  
20                   compliance with, and to enforce, State and  
21                   local licensing and regulatory requirements  
22                   (including registration requirements) appli-  
23                   cable to child care providers;

24                   “(iv) providing training and technical  
25                   assistance in areas relating to the provision

1 of child care services, such as training re-  
2 lating to promotion of health and safety,  
3 promotion of good nutrition, provision of  
4 first aid, recognition of communicable dis-  
5 eases, child abuse detection and preven-  
6 tion, and care of children with special  
7 needs;

8 “(v) improving salaries and other  
9 compensation paid to full-time and part-  
10 time staff who provide child care services  
11 for which assistance is made available  
12 under this subchapter;

13 “(vi) making grants or providing fi-  
14 nancial assistance to eligible child care pro-  
15 viders for training in child development  
16 and early education;

17 “(vii) making grants or providing fi-  
18 nancial assistance to eligible child care pro-  
19 viders to support delivery of early edu-  
20 cation and child development activities;

21 “(viii) making grants or providing fi-  
22 nancial assistance to eligible child care pro-  
23 viders to make minor renovations to such  
24 providers’ physical environments that en-

1           hance the quality of the child care services  
2           they provide;

3           “(ix) improving and expanding the  
4           supply of child care services for children  
5           with special needs;

6           “(x) supporting the system described  
7           in paragraph (2); and

8           “(xi) other activities that can be dem-  
9           onstrated to increase the quality of child  
10          care services and parental choice.

11          “(2) CHILD CARE RESOURCE AND REFERRAL  
12          SYSTEM.—The State shall use a portion of the funds  
13          reserved under paragraph (1) to support a system of  
14          local child care resource and referral organizations  
15          coordinated by a statewide-led child care resource  
16          and referral organization. The local child care re-  
17          source and referral organizations shall—

18                 “(A) provide parents in the State with in-  
19                 formation and support concerning child care op-  
20                 tions in their communities;

21                 “(B) collect data on the supply of and de-  
22                 mand for child care in political subdivisions  
23                 within the State;

1           “(C) develop links with the business com-  
2           munity or other organizations involved in pro-  
3           viding child care services;

4           “(D) increase the supply and improve the  
5           quality of child care in the State and in political  
6           subdivisions in the State;

7           “(E) hire specialists in health, mental  
8           health, early literacy, special needs, and infant  
9           and toddler care to support or supplement com-  
10          munity child care providers; or

11          “(F) provide training or facilitate connec-  
12          tions for training to community child care pro-  
13          viders.”.

14 **SEC. 106. INCENTIVE GRANTS TO STATES.**

15          The Child Care and Development Block Grant Act  
16 of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting  
17 after section 658G the following:

18 **“SEC. 658H. INCENTIVE GRANTS TO STATES.**

19          “(a) **AUTHORITY.**—

20                 “(1) **IN GENERAL.**—The Secretary shall use the  
21 amount made available under section 658B(b) for a  
22 fiscal year to make grants to eligible States in ac-  
23 cordance with this section.

24                 “(2) **ANNUAL PAYMENTS.**—The Secretary shall  
25 make an annual payment for such a grant to each



1 eligible State out of the allotment for that State de-  
2 termined under subsection (c).

3 “(b) ELIGIBLE STATES.—

4 “(1) IN GENERAL.—In this section, the term  
5 ‘eligible State’ means a State that—

6 “(A) has conducted a survey of the market  
7 rates for child care services in the State within  
8 the 2 years preceding the date of the submis-  
9 sion of an application under paragraph (2); and

10 “(B) submits an application in accordance  
11 with paragraph (2).

12 “(2) APPLICATION.—

13 “(A) IN GENERAL.—To be eligible to re-  
14 ceive a grant under this section, a State shall  
15 submit an application to the Secretary at such  
16 time, in such manner, and accompanied by such  
17 information, in addition to the information re-  
18 quired under subparagraph (B), as the Sec-  
19 retary may require.

20 “(B) INFORMATION REQUIRED.—Each ap-  
21 plication submitted for a grant under this sec-  
22 tion shall—

23 “(i) detail the methodology and re-  
24 sults of the State market rates survey con-  
25 ducted pursuant to paragraph (1)(A);

1           “(ii) describe the State’s plan to in-  
2           crease payment rates from the initial base-  
3           line determined under clause (i);

4           “(iii) describe how the State will in-  
5           crease payment rates in accordance with  
6           the market survey results, for all types of  
7           child care providers who provide services  
8           for which assistance is made available  
9           under this subchapter;

10          “(iv) describe how rates are set to re-  
11          flect the variations in the cost of providing  
12          care for children of different ages and dif-  
13          ferent types of care; and

14          “(v) describe how the State will  
15          prioritize increasing payment rates for care  
16          of higher-than-average quality, such as  
17          care by accredited providers, care that in-  
18          cludes the provision of comprehensive serv-  
19          ices, care provided at nonstandard hours,  
20          care for children with special needs, care in  
21          low-income and rural communities, and  
22          care of a type that is in short supply.

23          “(3) CONTINUING ELIGIBILITY REQUIRE-  
24          MENT.—The Secretary may make an annual pay-  
25          ment under this section to an eligible State only if—

1           “(A) the Secretary determines that the  
2 State has made progress, through the activities  
3 assisted under this subchapter, in maintaining  
4 increased payment rates; and

5           “(B) at least once every 2 years, the State  
6 conducts an update of the survey described in  
7 paragraph (1)(A).

8           “(4) REQUIREMENT OF MATCHING FUNDS.—

9           “(A) IN GENERAL.—To be eligible to re-  
10 ceive a grant under this section, the State shall  
11 agree to make available State contributions  
12 from State sources toward the costs of the ac-  
13 tivities to be carried out by a State pursuant to  
14 subsection (d) in an amount that is not less  
15 than 20 percent of such costs.

16           “(B) DETERMINATION OF STATE CON-  
17 TRIBUTIONS.—State contributions shall be in  
18 cash. Amounts provided by the Federal Govern-  
19 ment may not be included in determining the  
20 amount of such State contributions.

21           “(c) ALLOTMENTS TO ELIGIBLE STATES.—The  
22 amount made available under section 658B(b) for a fiscal  
23 year shall be allotted among the eligible States in the same  
24 manner as amounts are allotted under section 658O(b).

1       “(d) USE OF FUNDS.—An eligible State that receives  
2 a grant under this section shall use the funds received to  
3 significantly increase the payment rate for the provision  
4 of child care assistance in accordance with this subchapter  
5 up to the 150th percentile of the market rate survey de-  
6 scribed in subsection (b)(1)(A).

7       “(e) EVALUATIONS AND REPORTS.—

8               “(1) STATE EVALUATIONS.—Each eligible State  
9 shall submit to the Secretary, at such time and in  
10 such form and manner as the Secretary may require,  
11 information regarding the State’s efforts to increase  
12 payment rates and the impact increased rates are  
13 having on the quality of, and accessibility to, child  
14 care in the State.

15               “(2) REPORTS TO CONGRESS.—The Secretary  
16 shall submit biennial reports to Congress on the in-  
17 formation described in paragraph (1). Such reports  
18 shall include data from the applications submitted  
19 under subsection (b)(2) as a baseline for deter-  
20 mining the progress of each eligible State in main-  
21 taining increased payment rates.

22       “(f) PAYMENT RATE.—In this section, the term ‘pay-  
23 ment rate’ means the rate of reimbursement to providers  
24 for subsidized child care.”.

1 **SEC. 107. ADMINISTRATION, ENFORCEMENT, AND EVALUA-**  
2 **TION.**

3 Section 658I of the Child Care and Development  
4 Block Grant Act of 1990 (42 U.S.C. 9858g) is amended—

5 (1) in the heading by striking “**AND EN-**  
6 **FORCEMENT**” and inserting “**, ENFORCEMENT,**  
7 **AND EVALUATION**”;

8 (2) in subsection (a)(3) by inserting before the  
9 period at the end “and including the establishment  
10 of a national training and technical assistance center  
11 specializing in infant and toddler care and their fam-  
12 ilies”; and

13 (3) by adding at the end the following:

14 “(c) **FEDERAL ADMINISTRATION AND EVALUATION**  
15 **ACTIVITIES.**—The Secretary shall—

16 “(1) establish a national data system through  
17 grants, contracts or cooperative agreements to de-  
18 velop statistics on the supply of, demand for, and  
19 quality of child care, early education, and non-  
20 school-hours programs, including use of data col-  
21 lected through child care resource and referral orga-  
22 nizations at the national, State, and local levels; and

23 “(2) prepare and submit to Congress an annual  
24 report on the supply of, demand for, and quality of  
25 child care, early education, and non-school-hours  
26 programs, using data collected through State and

1 local child care resource and referral organizations  
2 and other sources.”.

3 **SEC. 108. REPORTS.**

4 Section 658K(a) of the Child Care and Development  
5 Block Grant Act of 1990 (42 U.S.C. 9858i(a)) is  
6 amended—

7 (1) in paragraph (1)(B)—

8 (A) in clause (ix) by striking “and” at the  
9 end;

10 (B) in clause (x) by adding “and” at the  
11 end; and

12 (C) by inserting after clause (x) the fol-  
13 lowing:

14 “(xi) whether the child care provider  
15 is accredited by a national or State accred-  
16 iting body;”; and

17 (2) in paragraph (2)—

18 (A) in the matter preceding subparagraph

19 (A) by striking “aggregate data concerning”;

20 (B) in subparagraph (D) by striking “and”  
21 at the end;

22 (C) in subparagraph (E) by adding “and”  
23 at the end; and

24 (D) by indenting the left margin of sub-  
25 paragraphs (A) through (E) 2 ems to the right

1 and redesignating such subparagraphs as  
2 clauses (i) through (v), respectively;

3 (E) by inserting after clause (v), as so re-  
4 designated, the following:

5 “(vi) findings from market rate sur-  
6 veys, disaggregated by the types of services  
7 provided and by the sub-State localities, as  
8 appropriate;”; and

9 (F) by inserting before clause (i), as so re-  
10 designated, the following:

11 “(A) information on how all of the funds  
12 reserved under section 658G were allocated and  
13 spent, and information on the effect of those  
14 expenditures, to the maximum extent prac-  
15 ticable; and

16 “(B) aggregate data concerning—”.

17 **SEC. 109. AMOUNTS RESERVED.**

18 Section 658O(a) of the Child Care and Development  
19 Block Grant Act of 1990 (42 U.S.C. 9858m(a)) is amend-  
20 ed by adding at the end the following:

21 “(3) ADMINISTRATION.—The Secretary shall  
22 reserve not more than 2 percent of the amount made  
23 available to carry out this subchapter (including the  
24 amount made available under section 418(c)(2) of

1 the Social Security Act) for each fiscal year to carry  
2 out section 658I.”.

3 **SEC. 110. DEFINITIONS.**

4 Section 658P(4)(C) of the Child Care and Develop-  
5 ment Block Grant Act of 1990 (42 U.S.C. 9858n(4)(C))  
6 is amended—

7 (1) in clause (i) by striking “or” at the end;

8 (2) in clause (ii) by striking the period and in-  
9 serting “; or”; and

10 (3) by adding at the end the following:

11 “(iii) is a foster child.”.

12 **SEC. 111. CONFORMING AMENDMENTS.**

13 The Child Care and Development Block Grant Act  
14 of 1990 (42 U.S.C. 9858 et seq.) is amended—

15 (1) in section 658E(c)(3)—

16 (A) in subparagraph (B) by striking  
17 “through (5) of section 658A(b)” and inserting  
18 “through (6) of section 658A(c)”; and

19 (B) in subparagraph (D) by striking  
20 “1997 through 2002” and inserting “2003  
21 through 2007”;

22 (2) in section 658K(a)(2) by striking “1997”  
23 and inserting “2003”; and

24 (3) in section 658L—



1 (A) by striking “July 31, 1998” and in-  
2 serting “October 1, 2004”;

3 (B) by striking “Economic and Edu-  
4 cational Opportunities” and inserting “Edu-  
5 cation and the Workforce”; and

6 (C) by striking “Labor and Human Re-  
7 sources” and inserting “Health, Education,  
8 Labor, and Pensions”.

9 **TITLE II—CHILD CARE QUALITY**  
10 **IMPROVEMENT**

11 **SEC. 201. SHORT TITLE.**

12 This title may be cited as the “Focus On Committed  
13 and Underpaid Staff for Children’s Sake Act” or as the  
14 “FOCUS Act”.

15 **SEC. 202. FINDINGS AND PURPOSE.**

16 (a) FINDINGS.—Congress makes the following find-  
17 ings:

18 (1) Research on early brain development and  
19 early childhood demonstrates that the experiences  
20 children have and the attachments children form  
21 early in life have a decisive, long-lasting impact on  
22 their later development and learning.

23 (2) High-quality, developmentally appropriate  
24 child care beginning in early childhood and con-  
25 tinuing through the years that children are in school

1 improves the scholastic success and educational at-  
2 tainment of children, and the success and attain-  
3 ment persist into adulthood.

4 (3) According to a growing body of research,  
5 the single most important determinant of child care  
6 quality is the presence of consistent, sensitive, well-  
7 trained, and well-compensated child care providers.  
8 However, child care programs nationwide experience  
9 high turnover in teaching staff, fueled by poor com-  
10 pensation and few opportunities for advancement.

11 (4) Despite the important role child care pro-  
12 viders can play in early child development and learn-  
13 ing, in 1999 the average wage for a child care pro-  
14 vider was \$7.42 per hour, or \$15,430 annually. For  
15 full-time, full-year work, the average annual wage  
16 for a child care provider was not much above the  
17 1999 poverty line of \$13,423 for a family consisting  
18 of a parent and 2 children. Family child care pro-  
19 viders earned even less. The median weekly wage of  
20 a family child care provider in 1999 was \$264,  
21 which equals an annual wage of \$13,728.

22 (5) To offer compensation that would be suffi-  
23 cient to attract and retain qualified child care pro-  
24 viders, child care programs would have to charge  
25 parents fees that many parents could not afford. For

1 programs that serve low-income children whose fami-  
2 lies qualify for Federal and State child care sub-  
3 sidies, the reimbursement rates set by the State  
4 strongly influence the level of compensation that  
5 staff receive. Current reimbursement rates for cen-  
6 ter-based child care services and family child care  
7 services are insufficient to recruit and retain quali-  
8 fied child care providers and to ensure high-quality  
9 services for children.

10 (6) As a result of low wages and limited bene-  
11 fits, many child care providers do not work for long  
12 periods in the child care field. Approximately 30 per-  
13 cent of all teaching staff employed at child care cen-  
14 ters leaves employment with a child care center each  
15 year. Teachers leaving the profession are being re-  
16 placed by staff with less education and formal train-  
17 ing in early child development.

18 (7) Child care providers, as well as the children,  
19 families, and businesses that depend upon the pro-  
20 viders, suffer the consequences of inadequate com-  
21 pensation. This is true, with few exceptions, for pro-  
22 viders in all types of programs, including subsidized  
23 and nonsubsidized programs, programs offered by  
24 for-profit and nonprofit entities, and programs in  
25 large and small child care settings.

1           (8) Because of the severe nationwide shortage  
2 of qualified staff available for employment by child  
3 care programs, several States have recently initiated  
4 programs to improve the quality of child care by in-  
5 creasing the training and compensation of child care  
6 providers. Such programs encourage the training,  
7 education, and increased retention of qualified child  
8 care providers by offering financial incentives, in-  
9 cluding scholarships and increases in compensation,  
10 that range from \$350 to \$6,500 annually.

11 (b) PURPOSES.—The purposes of this title are—

12           (1) to establish the Child Care Provider Devel-  
13 opment and Retention Grant Program and the Child  
14 Care Provider Scholarship Program; and

15           (2) to help children receive the high quality  
16 child care and early education the children need for  
17 positive cognitive and social development, by reward-  
18 ing and promoting the retention of committed, quali-  
19 fied child care providers and by providing financial  
20 assistance to improve the educational qualifications  
21 of child care providers.

22 **SEC. 203. DEFINITIONS.**

23 In this title:

24           (1) CHILD CARE PROVIDER.—The term “child  
25 care provider” means an individual who provides a

1 service directly to a child on a person to person basis  
2 for compensation for—

3 (A) a center-based child care provider that  
4 is licensed or regulated under State or local law  
5 and that satisfies the State and local require-  
6 ments applicable to the child care services pro-  
7 vided;

8 (B) a licensed or regulated family child  
9 care provider that satisfies the State and local  
10 requirements applicable to the child care serv-  
11 ices provided; or

12 (C) an out-of-school time program that is  
13 licensed or regulated under State or local law  
14 and that satisfies the State and local require-  
15 ments applicable to the child care services pro-  
16 vided.

17 (2) FAMILY CHILD CARE PROVIDER.—The term  
18 “family child care provider” has the meaning given  
19 such term in section 658P of the Child Care and  
20 Development Block Grant Act of 1990 (42 U.S.C.  
21 9858n).

22 (3) INDIAN TRIBE.—The term “Indian tribe”  
23 has the meaning given such term in section 4 of the  
24 Indian Self-Determination and Education Assistance  
25 Act (25 U.S.C. 450b).

1           (4) IN-KIND CONTRIBUTION.—The term “in-  
2           kind contribution” means payment of the costs of  
3           participation of eligible child care providers in health  
4           insurance programs or retirement programs.

5           (5) LEAD AGENCY.—The term “lead agency”  
6           means the agency designated under section 658D of  
7           the Child Care and Development Block Grant Act of  
8           1990 (42 U.S.C. 9858b).

9           (6) SECRETARY.—The term “Secretary” means  
10          the Secretary of Health and Human Services.

11          (7) STATE.—The term “State” means any of  
12          the several States, the District of Columbia, the  
13          Commonwealth of Puerto Rico, Guam, American  
14          Samoa, or the Commonwealth of the Northern Mar-  
15          iana Islands.

16          (8) TRIBAL ORGANIZATION.—The term “tribal  
17          organization” has the meaning given the term in  
18          section 4 of the Indian Self-Determination and Edu-  
19          cation Assistance Act (25 U.S.C. 450b).

20 **SEC. 204. FUNDS FOR CHILD CARE PROVIDER DEVELOP-**  
21 **MENT AND RETENTION GRANTS AND FOR**  
22 **CHILD CARE PROVIDER SCHOLARSHIPS.**

23          (a) IN GENERAL.—The Secretary may allot and dis-  
24          tribute funds appropriated to carry out this title to eligible  
25          States and Indian tribes and tribal organizations to pay

1 for the Federal share of the cost of making grants under  
2 sections 207 and 208 to eligible child care providers.

3 (b) ALLOTMENTS.—The funds shall be allotted and  
4 distributed by the Secretary in accordance with section  
5 205, and expended by the States (directly, or at the option  
6 of the States, through units of general purpose local gov-  
7 ernment), and by Indian tribes and tribal organizations,  
8 in accordance with this title.

9 **SEC. 205. ALLOTMENTS TO STATES.**

10 (a) AMOUNTS RESERVED.—

11 (1) TERRITORIES AND POSSESSIONS.—The Sec-  
12 retary shall reserve not more than  $\frac{1}{2}$  of 1 percent  
13 of the funds appropriated to carry out this title for  
14 any fiscal year for distribution to Guam, American  
15 Samoa, and the Commonwealth of the Northern  
16 Mariana Islands, to be allotted in accordance with  
17 their respective needs, to plan and carry out pro-  
18 grams and activities to encourage child care pro-  
19 viders to improve their qualifications and to retain  
20 qualified child care providers in the child care field.

21 (2) INDIAN TRIBES AND TRIBAL ORGANIZA-  
22 TIONS.—The Secretary shall reserve not more than  
23 3 percent of the funds appropriated to carry out this  
24 title for any fiscal year for payments to Indian tribes  
25 and tribal organizations with applications approved

1 under subsection (c), to plan and carry out pro-  
2 grams and activities to encourage child care pro-  
3 viders to improve their qualifications and to retain  
4 qualified child care providers in the child care field.

5 (b) ALLOTMENTS TO REMAINING STATES.—

6 (1) GENERAL AUTHORITY.—From the funds  
7 appropriated to carry out this title for any fiscal  
8 year and remaining after the reservations made  
9 under subsection (a), the Secretary shall allot to  
10 each State (excluding Guam, American Samoa, and  
11 the Commonwealth of the Northern Mariana Is-  
12 lands) an amount equal to the sum of—

13 (A) an amount that bears the same ratio  
14 to 50 percent of such remainder as the product  
15 of the young child factor of the State and the  
16 allotment percentage of the State bears to the  
17 sum of the corresponding products for all  
18 States; and

19 (B) an amount that bears the same ratio  
20 to 50 percent of such remainder as the product  
21 of the school lunch factor of the State and the  
22 allotment percentage of the State bears to the  
23 sum of the corresponding products for all  
24 States.



1           (2) YOUNG CHILD FACTOR.—In this subsection,  
2           the term “young child factor” means the ratio of the  
3           number of children under 5 years of age in the State  
4           to the number of such children in all the States, as  
5           determined according to the most recent annual esti-  
6           mates of population in the States, as provided by the  
7           Bureau of the Census.

8           (3) SCHOOL LUNCH FACTOR.—In this sub-  
9           section, the term “school lunch factor” means the  
10          ratio of the number of children who are receiving  
11          free or reduced price lunches under the school lunch  
12          program established under the Richard B. Russell  
13          National School Lunch Act (42 U.S.C. 1751 et seq.)  
14          in the State to the number of such children in all  
15          the States, as determined annually by the Depart-  
16          ment of Agriculture.

17          (4) ALLOTMENT PERCENTAGE.—

18                 (A) IN GENERAL.—Except as provided in  
19                 subparagraph (B), for purposes of this sub-  
20                 section, the allotment percentage for a State  
21                 shall be determined by dividing the per capita  
22                 income of all individuals in the United States,  
23                 by the per capita income of all individuals in  
24                 the State.

1 (B) LIMITATIONS.—For purposes of this  
2 subsection, if an allotment percentage deter-  
3 mined under subparagraph (A)—

4 (i) is more than 1.2 percent, the allot-  
5 ment percentage of that State shall be con-  
6 sidered to be 1.2 percent; and

7 (ii) is less than 0.8 percent, the allot-  
8 ment percentage of the State shall be con-  
9 sidered to be 0.8 percent.

10 (C) PER CAPITA INCOME.—For purposes  
11 of subparagraph (A), per capita income shall  
12 be—

13 (i) determined at 2-year intervals;

14 (ii) applied for the 2-year period be-  
15 ginning on October 1 of the first fiscal  
16 year beginning after the date such deter-  
17 mination is made; and

18 (iii) equal to the average of the an-  
19 nual per capita incomes for the most re-  
20 cent period of 3 consecutive years for  
21 which satisfactory data are available from  
22 the Department of Commerce at the time  
23 such determination is made.

24 (c) PAYMENTS TO INDIAN TRIBES AND TRIBAL OR-  
25 GANIZATIONS.—

1           (1) RESERVATION OF FUNDS.—From amounts  
2 reserved under subsection (a)(2), the Secretary may  
3 make grants to or enter into contracts with Indian  
4 tribes and tribal organizations that submit applica-  
5 tions under this subsection, to plan and carry out  
6 programs and activities to encourage child care pro-  
7 viders to improve their qualifications and to retain  
8 qualified child care providers in the child care field.

9           (2) APPLICATIONS AND REQUIREMENTS.—To  
10 be eligible to receive a grant or contract under this  
11 subsection, an Indian tribe or tribal organization  
12 shall submit an application to the Secretary at such  
13 time, in such manner, and containing such informa-  
14 tion as the Secretary may require. The application  
15 shall provide that the applicant—

16           (A) will coordinate the programs and ac-  
17 tivities involved, to the maximum extent prac-  
18 ticable, with the lead agency in each State in  
19 which the applicant will carry out such pro-  
20 grams and activities; and

21           (B) will make such reports on, and conduct  
22 such audits of the funds made available through  
23 the grant or contract for, programs and activi-  
24 ties under this title as the Secretary may re-  
25 quire.

1 (d) DATA AND INFORMATION.—The Secretary shall  
2 obtain from each appropriate Federal agency, the most re-  
3 cent data and information necessary to determine the al-  
4 lotments provided for in subsection (b).

5 (e) REALLOTMENTS.—

6 (1) IN GENERAL.—Any portion of the allotment  
7 under subsection (b) to a State for a fiscal year that  
8 the Secretary determines will not be distributed to  
9 the State for such fiscal year shall be reallocated by  
10 the Secretary to other States in proportion to the  
11 original allotments made under such subsection to  
12 such States for such fiscal year.

13 (2) LIMITATIONS.—

14 (A) REDUCTION.—The amount of any re-  
15 allotment to which a State is entitled under this  
16 subsection shall be reduced to the extent that  
17 such amount exceeds the amount that the Sec-  
18 retary estimates will be distributed to the State  
19 to make grants under this title.

20 (B) REALLOTMENTS.—The amount of  
21 such reduction shall be reallocated to States for  
22 which no reduction in an allotment, or in a real-  
23 lotment, is required by this subsection, in pro-  
24 portion to the original allotments made under

1 subsection (b) to such States for such fiscal  
2 year.

3 (3) AMOUNTS REALLOTTED.—For purposes of  
4 this title (other than this subsection and subsection  
5 (b)), any amount reallocated to a State under this  
6 subsection shall be considered to be part of the allot-  
7 ment made under subsection (b) to the State.

8 (f) COST-SHARING.—

9 (1) FEDERAL SHARE.—The Federal share of  
10 the cost of making grants under sections 207 and  
11 208, with funds allotted under this section and dis-  
12 tributed by the Secretary to a State, shall be—

13 (A) not more than 90 percent of the cost  
14 of each grant made under such sections, in the  
15 1st fiscal year for which the State receives such  
16 funds;

17 (B) not more than 85 percent of the cost  
18 of each grant made under such sections, in the  
19 2d fiscal year for which the State receives such  
20 funds;

21 (C) not more than 80 percent of the cost  
22 of each grant made under such sections, in the  
23 3d fiscal year for which the State receives such  
24 funds; and

1           (D) not more than 75 percent of the cost  
2           of each grant made under such sections, in any  
3           subsequent fiscal year for which the State re-  
4           ceives such funds.

5           (2) STATE SHARE.—The non-Federal share of  
6           the cost of making such grants shall be paid by the  
7           State in cash or in the form of an in-kind contribu-  
8           tion, fairly evaluated by the Secretary.

9           (g) AVAILABILITY OF ALLOTTED FUNDS DISTRIB-  
10          UTED TO STATES.—Of the funds allotted under this sec-  
11          tion and distributed by the Secretary to a State for a fiscal  
12          year—

13           (1) not less than 67.5 percent shall be available  
14           to the State for grants under section 207;

15           (2) not less than 22.5 percent shall be available  
16           to the State for grants under section 208; and

17           (3) not more than 10 percent shall be available  
18           to pay administrative costs incurred by the State to  
19           carry out this title.

20          **SEC. 206. APPLICATION AND PLAN.**

21           (a) APPLICATION.—To be eligible to receive a dis-  
22          tribution of funds allotted under section 205, a State shall  
23          submit to the Secretary an application at such time, in  
24          such manner, and containing such information as the Sec-  
25          retary may require by rule and shall include in such appli-

1 cation a State plan that satisfies the requirements of sub-  
2 section (b).

3 (b) REQUIREMENTS OF PLAN.—

4 (1) LEAD AGENCY.—The State plan shall iden-  
5 tify the lead agency to make grants under this title  
6 for the State.

7 (2) RECRUITMENT AND RETENTION OF CHILD  
8 CARE PROVIDERS.—The State plan shall describe  
9 how the lead agency will encourage both the recruit-  
10 ment of eligible child care providers who are new to  
11 the child care field and the retention of eligible child  
12 care providers who have a demonstrated commit-  
13 ment to the child care field.

14 (3) NOTIFICATION OF GRANT AVAILABILITY.—  
15 The State plan shall describe how the lead agency  
16 will identify all eligible child care providers in the  
17 State and notify the providers of the availability of  
18 grants under this title.

19 (4) DISTRIBUTION OF GRANTS.—The State  
20 plan shall describe how the lead agency will make  
21 grants under sections 207 and 208 to child care pro-  
22 viders in selected geographical areas in the State in  
23 compliance with the following requirements:

1 (A) SELECTION OF GEOGRAPHICAL  
2 AREAS.—For the purpose of making such  
3 grants for a fiscal year, the State shall—

4 (i) select a variety of geographical  
5 areas, determined by the State, that,  
6 collectively—

7 (I) include urban areas, suburban  
8 areas, and rural areas; and

9 (II) are areas whose residents  
10 have diverse income levels; and

11 (ii) give special consideration to geo-  
12 graphical areas selected under this sub-  
13 paragraph for the preceding fiscal year.

14 (B) SELECTION OF CHILD CARE PRO-  
15 VIDERS TO RECEIVE GRANTS.—In making  
16 grants under section 207, the State may make  
17 grants only to eligible child care providers in  
18 geographical areas selected under subparagraph  
19 (A), but—

20 (i) may give special consideration in  
21 such areas to eligible child care providers  
22 who have attained a higher relevant edu-  
23 cational credential, who provide a specific  
24 kind of child care services, who provide  
25 child care services to populations who meet



1 specific economic characteristics, or who  
2 meet such other criteria as the State may  
3 establish; and

4 (ii) shall give special consideration to  
5 eligible child care providers who received a  
6 grant under such section in the preceding  
7 fiscal year.

8 (C) LIMITATION.—The State shall describe  
9 how the State will ensure that grants made  
10 under section 207 to child care providers will  
11 not be used to offset reductions in the com-  
12 pensation of such providers.

13 (D) REPORTING REQUIREMENT.—With re-  
14 spect to each particular geographical area se-  
15 lected under subparagraph (A), the State shall  
16 provide an assurance that the State will, for  
17 each fiscal year for which such State receives a  
18 grant under section 207—

19 (i) include in the report required by  
20 section 209, detailed information  
21 regarding—

22 (I) the continuity of employment  
23 of the grant recipients as child care  
24 providers with the same employer;

1 (II) with respect to each em-  
2 ployer that employed such a grant re-  
3 cipient, whether such employer was  
4 accredited by a recognized national or  
5 State accrediting body during the pe-  
6 riod of employment; and

7 (III) to the extent practicable  
8 and available to the State, the rate  
9 and frequency of employment turnover  
10 of qualified child care providers  
11 throughout such area,

12 during the 2-year period ending on the  
13 deadline for submission of applications for  
14 grants under section 207 for that fiscal  
15 year; and

16 (ii) provide a follow-up report, not  
17 later than 90 days after the end of the suc-  
18 ceeding fiscal year that includes informa-  
19 tion regarding—

20 (I) the continuity of employment  
21 of the grant recipients as child care  
22 providers with the same employer;

23 (II) with respect to each em-  
24 ployer that employed such a grant re-  
25 cipient, whether such employer was

1 accredited by a recognized national or  
2 State accrediting body during the pe-  
3 riod of employment; and

4 (III) to the extent practicable  
5 and available to the State, detailed in-  
6 formation regarding the rate and fre-  
7 quency of employment turnover of  
8 qualified child care providers through-  
9 out such area,

10 during the 1-year period beginning on the  
11 date on which the grant to the State was  
12 made under section 207.

13 (5) CHILD CARE PROVIDER DEVELOPMENT AND  
14 RETENTION GRANT PROGRAM.—The State plan shall  
15 describe how the lead agency will determine the  
16 amounts of grants to be made under section 207 in  
17 accordance with the following requirements:

18 (A) SUFFICIENT AMOUNTS.—The State  
19 shall demonstrate that the amounts of indi-  
20 vidual grants to be made under section 207 will  
21 be sufficient—

22 (i) to encourage child care providers  
23 to improve their qualifications; and

24 (ii) to retain qualified child care pro-  
25 viders in the child care field.

1 (B) AMOUNTS TO CREDENTIALLED PRO-  
2 VIDERS.—Such grants made to child care pro-  
3 viders who have a child development associate  
4 credential and who are employed full-time to  
5 provide child care services shall be in an  
6 amount that is not less than \$1,000 per year.

7 (C) AMOUNTS TO PROVIDERS WITH HIGH-  
8 ER LEVELS OF EDUCATION.—The State shall  
9 make such grants in amounts greater than  
10 \$1,000 per year to child care providers who  
11 have higher levels of education than the edu-  
12 cation required for a credential such as a child  
13 development associate credential, according to  
14 the following requirements:

15 (i) PROVIDERS WITH BACCALAUREATE  
16 DEGREES IN RELEVANT FIELDS.—A child  
17 care provider who has a baccalaureate de-  
18 gree in the area of child development or  
19 early child education shall receive a grant  
20 under section 207 in an amount that is not  
21 less than twice the amount of the grant  
22 that is made under section 207 to a child  
23 care provider who has an associate of the  
24 arts degree in the area of child develop-  
25 ment or early child education.

1                   (ii) PROVIDERS WITH ASSOCIATE DE-  
2                   GREES.—A child care provider who has an  
3                   associate of the arts degree in the area of  
4                   child development or early child education  
5                   shall receive a grant under section 207 in  
6                   an amount that is not less than 150 per-  
7                   cent of the amount of the grant that is  
8                   made under section 207 to a child care  
9                   provider who has a child development asso-  
10                  ciate credential and is employed full-time  
11                  to provide child care services.

12                  (iii) OTHER PROVIDERS WITH BACCA-  
13                  LAUREATE DEGREES.—

14                         (I) IN GENERAL.—Except as pro-  
15                         vided in subclause (II), a child care  
16                         provider who has a baccalaureate de-  
17                         gree in a field other than child devel-  
18                         opment or early child education shall  
19                         receive a grant under section 207 in  
20                         an amount equal to the amount of the  
21                         grant that is made under section 207  
22                         to a child care provider who has an  
23                         associate of the arts degree in the  
24                         area of child development or early  
25                         child education.

1                   (II) EXCEPTION.—If a child care  
2                   provider who has such a baccalaureate  
3                   degree obtains additional educational  
4                   training in the area of child develop-  
5                   ment or early child education, as spec-  
6                   ified by the State, such provider shall  
7                   receive a grant under section 207 in  
8                   an amount equal to the amount of the  
9                   grant that is made under section 207  
10                  to a child care provider who has a  
11                  baccalaureate degree specified in  
12                  clause (i).

13                  (D) AMOUNTS TO FULL-TIME PRO-  
14                  VIDERS.—The State shall make a grant under  
15                  section 207 to a child care provider who works  
16                  full-time in a greater amount than the amount  
17                  of the grant that is made under section 207 to  
18                  a child care provider who works part-time,  
19                  based on the State definitions of full-time and  
20                  part-time work.

21                  (E) AMOUNTS TO EXPERIENCED PRO-  
22                  VIDERS.—The State shall make grants under  
23                  section 207 in progressively larger amounts to  
24                  child care providers to reflect the number of  
25                  years worked as child care providers.

1           (6) DISTRIBUTION OF CHILD CARE PROVIDER  
2 SCHOLARSHIPS.—The State plan shall describe how  
3 the lead agency will make grants for scholarships in  
4 compliance with section 208 and shall specify the  
5 types of educational and training programs for  
6 which the scholarship grants made under such sec-  
7 tion may be used, including only programs that—

8           (A) are administered by institutions of  
9 higher education that are eligible to participate  
10 in student financial assistance programs under  
11 title IV of the Higher Education Act of 1965  
12 (20 U.S.C. 1070 et seq.); and

13           (B) lead to a State or nationally recog-  
14 nized credential in the area of child develop-  
15 ment or early child education, an associate of  
16 the arts degree in the area of child development  
17 or early child education, or a baccalaureate de-  
18 gree in the area of child development or early  
19 child education.

20           (7) EMPLOYER CONTRIBUTION.—The State  
21 plan shall describe how the lead agency will encour-  
22 age employers of child care providers to contribute  
23 to the attainment of education goals by child care  
24 providers who receive grants under section 208.

1           (8) SUPPLEMENTATION.—The State plan shall  
2           provide assurances that amounts received by the  
3           State to carry out sections 207 and 208 will be used  
4           only to supplement, and not to supplant, Federal,  
5           State, and local funds otherwise available to support  
6           existing services and activities (as of the date the  
7           amounts are used) that encourage child care pro-  
8           viders to improve their qualifications and that pro-  
9           mote the retention of qualified child care providers  
10          in the child care field.

11 **SEC. 207. CHILD CARE PROVIDER DEVELOPMENT AND RE-**  
12 **TENTION GRANT PROGRAM.**

13          (a) IN GENERAL.—A State that receives funds allot-  
14          ted under section 205 and made available to carry out this  
15          section shall expend such funds to make grants to eligible  
16          child care providers in accordance with this section, to im-  
17          prove the qualifications and promote the retention of  
18          qualified child care providers.

19          (b) ELIGIBILITY TO RECEIVE GRANTS.—To be eligi-  
20          ble to receive a grant under this section, a child care pro-  
21          vider shall—

22                (1) have a child development associate creden-  
23                tial or equivalent, an associate of the arts degree in  
24                the area of child development or early child edu-  
25                cation, a baccalaureate degree in the area of child



1 development or early child education, or a bacca-  
2 laureate degree in an unrelated field; and

3 (2) be employed as a child care provider for not  
4 less than 1 calendar year, or (if the provider is em-  
5 ployed on the date of the eligibility determination in  
6 a child care program that operates for less than a  
7 full calendar year) the program equivalent of 1 cal-  
8 endar year, ending on the date of the application for  
9 such grant, except that not more than 3 months of  
10 education related to child development or to early  
11 child education obtained during the corresponding  
12 calendar year may be treated as employment that  
13 satisfies the requirements of this paragraph.

14 (c) PRESERVATION OF ELIGIBILITY.—A State shall  
15 not take into consideration whether a child care provider  
16 is receiving, may receive, or may be eligible to receive any  
17 funds under section 208 for purposes of selecting eligible  
18 child care providers to receive grants under this section.

19 **SEC. 208. CHILD CARE PROVIDER SCHOLARSHIP PROGRAM.**

20 (a) IN GENERAL.—A State that receives funds allot-  
21 ted under section 205 and made available to carry out this  
22 section shall expend such funds to make scholarship  
23 grants to eligible child care providers in accordance with  
24 this section, to improve their educational qualifications to  
25 provide child care services.

1 (b) ELIGIBILITY REQUIREMENT FOR SCHOLARSHIP  
2 GRANTS.—To be eligible to receive a scholarship grant  
3 under this section, a child care provider shall be employed  
4 as a child care provider for not less than 1 calendar year,  
5 or (if the provider is employed on the date of the eligibility  
6 determination in a child care program that operates for  
7 less than a full calendar year) the program equivalent of  
8 1 calendar year, ending on the date of the application for  
9 such grant.

10 (c) SELECTION OF GRANTEES.—For purposes of se-  
11 lecting eligible child care providers to receive scholarship  
12 grants under this section and determining the amounts of  
13 such grants, a State shall not—

14 (1) take into consideration whether a child care  
15 provider is receiving, may receive, or may be eligible  
16 to receive any funds under any other provision of  
17 this title, or under any other Federal or State law  
18 that provides funds for educational purposes; or

19 (2) consider as resources of such provider any  
20 funds such provider is receiving, may receive, or may  
21 be eligible to receive under any other provision of  
22 this title, under any other Federal or State law that  
23 provides funds for educational purposes, or from a  
24 private entity.

1 (d) COST-SHARING REQUIRED.—The amount of a  
2 scholarship grant made under this section to an eligible  
3 child care provider shall be less than the cost of the edu-  
4 cational or training program for which such grant is made.

5 (e) ANNUAL MAXIMUM SCHOLARSHIP GRANT  
6 AMOUNT.—The maximum aggregate dollar amount of a  
7 scholarship grant made by a State to an eligible child care  
8 provider under this section in a fiscal year shall be \$1,500.

9 **SEC. 209. ANNUAL REPORT.**

10 A State that receives funds appropriated to carry out  
11 this title for a fiscal year shall submit to the Secretary,  
12 not later than 90 days after the end of such fiscal year,  
13 a report—

14 (1) specifying the uses for which the State ex-  
15 pended such funds, and the aggregate amount of  
16 funds (including State funds) expended for each of  
17 such uses;

18 (2) containing available data relating to grants  
19 made with such funds, including—

20 (A) the number of child care providers who  
21 received such grants;

22 (B) the amounts of such grants;

23 (C) any other information that describes or  
24 evaluates the effectiveness of this title;

1 (D) the particular geographical areas se-  
2 lected under section 206 for the purpose of  
3 making such grants;

4 (E) with respect to grants made under sec-  
5 tion 207—

6 (i) the number of years grant recipi-  
7 ents have been employed as child care pro-  
8 viders;

9 (ii) the level of training and education  
10 of grant recipients;

11 (iii) to the extent practicable and  
12 available to the State, detailed information  
13 regarding the salaries and other compensa-  
14 tion received by grant recipients to provide  
15 child care services before, during, and after  
16 receiving such grant;

17 (iv) the number of children who re-  
18 ceived child care services provided by grant  
19 recipients;

20 (v) information on family demo-  
21 graphics of such children;

22 (vi) the types of settings described in  
23 subparagraphs (A), (B), and (C) of section  
24 203(a)(1) in which grant recipients are  
25 employed; and

1 (vii) the ages of the children who re-  
2 ceived child care services provided by grant  
3 recipients;

4 (F) with respect to grants made under sec-  
5 tion 208—

6 (i) the number of years grant recipi-  
7 ents have been employed as child care pro-  
8 viders;

9 (ii) the level of training and education  
10 of grant recipients;

11 (iii) to the extent practicable and  
12 available to the State, detailed information  
13 regarding the salaries and other compensa-  
14 tion received by grant recipients to provide  
15 child care services before, during, and after  
16 receiving such grant;

17 (iv) the types of settings described in  
18 subparagraphs (A), (B), and (C) of section  
19 203(a)(1) in which grant recipients are  
20 employed;

21 (v) the ages of the children who re-  
22 ceived child care services provided by grant  
23 recipients;

1                   (vi) the number of course credits or  
2                   credentials obtained by grant recipients;  
3                   and

4                   (vii) the amount of time taken for  
5                   completion of the educational and training  
6                   programs for which such grants were  
7                   made; and

8                   (G) such other information as the Sec-  
9                   retary may require by rule.

10 **SEC. 210. AUTHORIZATION OF APPROPRIATIONS.**

11           There is authorized to be appropriated  
12 \$5,000,000,000 in the aggregate for fiscal years 2002  
13 through 2006 to carry out this title.

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