

108TH CONGRESS  
1ST SESSION

# S. 1198

To establish the Child Care Provider Development and Retention Grant Program, the Child Care Provider Scholarship Program, and a program of child care provider health benefits coverage, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 5, 2003

Mr. DODD introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To establish the Child Care Provider Development and Retention Grant Program, the Child Care Provider Scholarship Program, and a program of child care provider health benefits coverage, 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 “Focus On Committed  
5       and Underpaid Staff for Children’s Sake Act” or as the  
6       “FOCUS Act”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—Congress makes the following find-  
3 ings:

4 (1) Research on early brain development and  
5 early childhood demonstrates that the experiences  
6 children have and the attachments children form  
7 early in life have a decisive, long-lasting impact on  
8 their later development and learning.

9 (2) High-quality, developmentally appropriate  
10 child care beginning in early childhood and con-  
11 tinuing through the years that children are in school  
12 improves the scholastic success and educational at-  
13 tainment of children, and the success and attain-  
14 ment persist into adulthood.

15 (3) According to a growing body of research,  
16 the single most important determinant of child care  
17 quality is the presence of consistent, sensitive, well-  
18 trained, and well-compensated child care providers.  
19 However, child care programs nationwide experience  
20 high turnover in teaching staff, fueled by poor com-  
21 pensation and few opportunities for advancement.

22 (4) The Department of Labor reports that, in  
23 2001, the average wage for a child care provider was  
24 \$8.16 per hour, or \$16,980 annually. For full-time,  
25 full-year work, the average annual wage for a child  
26 care provider was not much above the 2001 poverty

1 line of \$14,630 for a family consisting of a parent  
2 and 2 children. Family child care providers earned  
3 even less. The median weekly wage of a family child  
4 care provider in 2001 was \$264, which equals an an-  
5 nual wage of \$13,728.

6 (5) Despite the important role child care pro-  
7 viders may play in early child development and  
8 learning, on average, a child care provider earns less  
9 in a year than a bus driver (\$29,430), barber  
10 (\$21,190), or janitor (\$19,800).

11 (6) Employer-sponsored benefits are minimal  
12 for most child care staff. Even for child care pro-  
13 viders at child care centers, the availability of health  
14 care coverage for staff remains woefully inadequate.

15 (7) To offer compensation that would be suffi-  
16 cient to attract and retain qualified child care pro-  
17 viders, child care programs would have to charge  
18 parents fees that many parents could not afford. For  
19 programs that serve low-income children whose fami-  
20 lies qualify for Federal and State child care sub-  
21 sidies, the reimbursement rates set by the State  
22 strongly influence the level of compensation that  
23 staff receive. Current reimbursement rates for cen-  
24 ter-based child care services and family child care  
25 services are insufficient to recruit and retain quali-

1       fied child care providers and to ensure high-quality  
2       services for children.

3               (8) Teachers leaving the profession are being  
4       replaced by staff with less education and formal  
5       training in early child development.

6               (9) As a result of low wages and limited bene-  
7       fits, many child care providers do not work for long  
8       periods in the child care field. Approximately 30 per-  
9       cent of all teaching staff employed at child care cen-  
10      ters leaves employment with a child care center each  
11      year.

12              (10) Child care providers, as well as the chil-  
13      dren, families, and businesses that depend upon the  
14      providers, suffer the consequences of inadequate  
15      compensation. This is true, with few exceptions, for  
16      providers in all types of programs, including sub-  
17      sidized and nonsubsidized programs, programs of-  
18      fered by for-profit and nonprofit entities, and pro-  
19      grams in large and small child care settings.

20              (11) Because of the severe nationwide shortage  
21      of qualified staff available for employment by child  
22      care programs, several States have recently initiated  
23      programs to improve the quality of child care by in-  
24      creasing the training and compensation of child care  
25      providers. Such programs encourage the training,

1 education, and increased retention of qualified child  
2 care providers by offering financial incentives, in-  
3 cluding scholarships and increases in compensation,  
4 that range from \$350 to \$6,500 annually.

5 (12) Family child care providers are almost  
6 twice as likely to lack health insurance as the gen-  
7 eral population. One in four child care centers does  
8 not offer health insurance benefits to employees.  
9 Even child care providers with health insurance cov-  
10 erage state that it is difficult to afford out-of-pocket  
11 health care expenses.

12 (13) In a study of lower income family child  
13 care providers without health insurance, more than  
14 half had used emergency room services for their own  
15 health care in the past year.

16 (b) PURPOSES.—The purposes of this Act are—

17 (1) to establish the Child Care Provider Devel-  
18 opment and Retention Grant Program, the Child  
19 Care Provider Scholarship Program, and a program  
20 of child care provider health benefits coverage; and

21 (2) to help children receive the high quality  
22 child care and early education the children need for  
23 positive cognitive and social development, by reward-  
24 ing and promoting the retention of committed, quali-  
25 fied child care providers and by providing financial

1 assistance to improve the educational qualifications  
2 of child care providers.

3 **SEC. 3. DEFINITIONS.**

4 In this Act:

5 (1) CHILD CARE PROVIDER.—The term “child  
6 care provider” means an individual who provides a  
7 service directly to a child on a person-to-person basis  
8 for compensation for—

9 (A) a center-based child care provider that  
10 is licensed or regulated under State or local law  
11 and that satisfies the State and local require-  
12 ments applicable to the child care services pro-  
13 vided;

14 (B) a licensed or regulated family child  
15 care provider that satisfies the State and local  
16 requirements applicable to the child care serv-  
17 ices provided; or

18 (C) an out-of-school time program that is  
19 licensed or regulated under State or local law  
20 and that satisfies the State and local require-  
21 ments applicable to the child care services pro-  
22 vided.

23 (2) FAMILY CHILD CARE PROVIDER.—The term  
24 “family child care provider” has the meaning given  
25 such term in section 658P of the Child Care and

1 Development Block Grant Act of 1990 (42 U.S.C.  
2 9858n).

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

7 (4) LEAD AGENCY.—The term “lead agency”  
8 means the agency designated under section 658D of  
9 the Child Care and Development Block Grant Act of  
10 1990 (42 U.S.C. 9858b).

11 (5) SECRETARY.—The term “Secretary” means  
12 the Secretary of Health and Human Services.

13 (6) STATE.—The term “State” means any of  
14 the several States, the District of Columbia, the  
15 Commonwealth of Puerto Rico, the Virgin Islands of  
16 the United States, Guam, American Samoa, or the  
17 Commonwealth of the Northern Mariana Islands.

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

1 **SEC. 4. FUNDS FOR CHILD CARE PROVIDER DEVELOPMENT**  
2 **AND RETENTION GRANTS, SCHOLARSHIPS,**  
3 **AND HEALTH BENEFITS COVERAGE.**

4 (a) IN GENERAL.—From amounts appropriated to  
5 carry out this Act, the Secretary may allot and distribute  
6 funds to eligible States, and make payments to Indian  
7 tribes and tribal organizations, to pay for the Federal  
8 share of the cost of carrying out activities under sections  
9 7, 8, and 9 for eligible child care providers.

10 (b) ALLOTMENTS.—The funds shall be allotted and  
11 distributed, and the payments shall be made, by the Sec-  
12 retary in accordance with section 5, and expended by the  
13 States (directly, or at the option of the States, through  
14 units of general purpose local government), and by Indian  
15 tribes and tribal organizations, in accordance with this  
16 Act.

17 **SEC. 5. ALLOTMENTS TO STATES.**

18 (a) AMOUNTS RESERVED.—

19 (1) TERRITORIES AND POSSESSIONS.—The Sec-  
20 retary shall reserve not more than  $\frac{1}{2}$  of 1 percent  
21 of the funds appropriated under section 12(a), and  
22 not more than  $\frac{1}{2}$  of 1 percent of the funds appro-  
23 priated under section 12(b), for any fiscal year for  
24 payments to the Virgin Islands of the United States,  
25 Guam, American Samoa, and the Commonwealth of

1 the Northern Mariana Islands, to be allotted in ac-  
2 cordance with their respective needs.

3 (2) INDIAN TRIBES AND TRIBAL ORGANIZA-  
4 TIONS.—The Secretary shall reserve not more than  
5 3 percent of the funds appropriated under section  
6 12(a), and not more than 3 percent of the funds ap-  
7 propriated under section 12(b), for any fiscal year  
8 for payments to Indian tribes and tribal organiza-  
9 tions with applications approved under subsection  
10 (c).

11 (b) ALLOTMENTS TO REMAINING STATES.—

12 (1) GENERAL AUTHORITY.—From the funds  
13 appropriated under section 12(a) for any fiscal year  
14 and remaining after the reservations made under  
15 subsection (a), and from the funds appropriated  
16 under section 12(b) for any fiscal year and remain-  
17 ing after the reservations made under subsection (a),  
18 the Secretary shall allot to each State an amount  
19 equal to the sum of—

20 (A) an amount that bears the same ratio  
21 to 50 percent of the appropriate remainder as  
22 the product of the young child factor of the  
23 State and the allotment percentage of the State  
24 bears to the sum of the corresponding products  
25 for all States; and

1           (B) an amount that bears the same ratio  
2           to 50 percent of such remainder as the product  
3           of the school lunch factor of the State and the  
4           allotment percentage of the State bears to the  
5           sum of the corresponding products for all  
6           States.

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

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

23          (4) ALLOTMENT PERCENTAGE.—

24                 (A) IN GENERAL.—Except as provided in  
25                 subparagraph (B), for purposes of this sub-

1 section, the allotment percentage for a State  
2 shall be determined by dividing the per capita  
3 income of all individuals in the United States,  
4 by the per capita income of all individuals in  
5 the State.

6 (B) LIMITATIONS.—For purposes of this  
7 subsection, if an allotment percentage deter-  
8 mined under subparagraph (A)—

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

12 (ii) is less than 0.8 percent, the allot-  
13 ment percentage of the State shall be con-  
14 sidered to be 0.8 percent.

15 (C) PER CAPITA INCOME.—For purposes  
16 of subparagraph (A), per capita income shall  
17 be—

18 (i) determined at 2-year intervals;

19 (ii) applied for the 2-year period be-  
20 ginning on October 1 of the first fiscal  
21 year beginning after the date such deter-  
22 mination is made; and

23 (iii) equal to the average of the an-  
24 nual per capita incomes for the most re-  
25 cent period of 3 consecutive years for

1           which satisfactory data are available from  
2           the Department of Commerce at the time  
3           such determination is made.

4           (c) PAYMENTS TO INDIAN TRIBES AND TRIBAL OR-  
5 GANIZATIONS.—

6           (1) RESERVATION OF FUNDS.—From amounts  
7 reserved under subsection (a)(2), the Secretary may  
8 make grants to or enter into contracts with Indian  
9 tribes and tribal organizations that submit applica-  
10 tions under this subsection, to plan and carry out  
11 programs and activities—

12                   (A) to encourage child care providers to  
13 improve their qualifications;

14                   (B) to retain qualified child care providers  
15 in the child care field; and

16                   (C) to provide health benefits coverage for  
17 child care providers.

18           (2) APPLICATIONS AND REQUIREMENTS.—To  
19 be eligible to receive a grant or contract under this  
20 subsection, an Indian tribe or tribal organization  
21 shall submit an application to the Secretary at such  
22 time, in such manner, and containing such informa-  
23 tion as the Secretary may require. The application  
24 shall provide that the applicant—

1           (A) will coordinate the programs and ac-  
2           tivities involved, to the maximum extent prac-  
3           ticable, with the lead agency in each State in  
4           which the applicant will carry out such pro-  
5           grams and activities; and

6           (B) will make such reports on, and conduct  
7           such audits of the funds made available through  
8           the grant or contract for, programs and activi-  
9           ties under this Act as the Secretary may re-  
10          quire.

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

15          (e) REALLOTMENTS.—

16           (1) IN GENERAL.—Any portion of an allotment  
17           under subsection (b) to a State for a fiscal year that  
18           the Secretary determines will not be distributed to  
19           the State for such fiscal year shall be reallocated by  
20           the Secretary to other States in proportion to the  
21           original corresponding allotments made under such  
22           subsection to such States for such fiscal year.

23           (2) LIMITATIONS.—

24           (A) REDUCTION.—The amount of any re-  
25           allotment to which a State is entitled under this

1 subsection shall be reduced to the extent that  
2 such amount exceeds the amount that the Sec-  
3 retary estimates will be distributed to the State  
4 to carry out corresponding activities under this  
5 Act.

6 (B) REALLOTMENTS.—The amount of  
7 such reduction shall be reallocated to States for  
8 which no reduction in a corresponding allot-  
9 ment, or in a corresponding reallocation, is re-  
10 quired by this subsection, in proportion to the  
11 original corresponding allotments made under  
12 subsection (b) to such States for such fiscal  
13 year.

14 (3) AMOUNTS REALLOCATED.—For purposes of  
15 this Act (other than this subsection and subsection  
16 (b)), any amount reallocated to a State under this  
17 subsection shall be considered to be part of the cor-  
18 responding allotment made under subsection (b) to  
19 the State.

20 (4) INDIAN TRIBES OR TRIBAL ORGANIZA-  
21 TIONS.—Any portion of a grant or contract made to  
22 an Indian tribe or tribal organization under sub-  
23 section (c) that the Secretary determines is not  
24 being used in a manner consistent with the provision  
25 of this subchapter in the period for which the grant

1 or contract is made available, shall be used by the  
2 Secretary to make payments to other tribes or orga-  
3 nizations that have submitted applications under  
4 subsection (c) in accordance with their respective  
5 needs.

6 (f) COST-SHARING.—

7 (1) CHILD CARE PROVIDER DEVELOPMENT AND  
8 RETENTION GRANTS AND SCHOLARSHIPS.—

9 (A) FEDERAL SHARE.—The Federal share  
10 of the cost of carrying out activities under sec-  
11 tions 7 and 8, with funds allotted under this  
12 section and distributed by the Secretary to a  
13 State, shall be—

14 (i) not more than 90 percent of the  
15 cost of each grant made under such sec-  
16 tions, in the first fiscal year for which the  
17 State receives such funds;

18 (ii) not more than 85 percent of the  
19 cost of each grant made under such sec-  
20 tions, in the second fiscal year for which  
21 the State receives such funds;

22 (iii) not more than 80 percent of the  
23 cost of each grant made under such sec-  
24 tions, in the third fiscal year for which the  
25 State receives such funds; and

1 (iv) not more than 75 percent of the  
 2 cost of each grant made under such sec-  
 3 tions, in any subsequent fiscal year for  
 4 which the State receives such funds.

5 (B) NON-FEDERAL SHARE.—

6 (i) IN GENERAL.—The State may pro-  
 7 vide the non-Federal share of the cost in  
 8 cash or in the form of an in-kind contribu-  
 9 tion, fairly evaluated by the Secretary.

10 (ii) IN-KIND CONTRIBUTION.—In this  
 11 subparagraph, the term “in-kind contribu-  
 12 tion” means payment of the costs of par-  
 13 ticipation of eligible child care providers in  
 14 health insurance programs or retirement  
 15 programs.

16 (2) CHILD CARE PROVIDER HEALTH BENEFITS  
 17 COVERAGE.—

18 (A) FEDERAL SHARE.—The Federal share  
 19 of the cost of carrying out activities under sec-  
 20 tion 9, with funds allotted under this section  
 21 and distributed by the Secretary to a State,  
 22 shall be not more than 50 percent of such cost.

23 (B) NON-FEDERAL SHARE.—The State  
 24 may provide the non-Federal share of the cost  
 25 in cash or in kind, fairly evaluated by the Sec-

1           retary, including plant, equipment, or services.  
2           The State shall provide the non-Federal share  
3           directly or through donations from public or  
4           private entities. Amounts provided by the Fed-  
5           eral Government, or services assisted or sub-  
6           sidized to any significant extent by the Federal  
7           Government, may not be included in deter-  
8           mining the amount of such share.

9           (g) AVAILABILITY OF ALLOTTED FUNDS DISTRIB-  
10          UTED TO STATES.—Of the funds allotted under this sec-  
11          tion for activities described in sections 7 and 8 and distrib-  
12          uted by the Secretary to a State for a fiscal year—

13                 (1) not less than 67.5 percent shall be available  
14                 to the State for grants under section 7;

15                 (2) not less than 22.5 percent shall be available  
16                 to the State for grants under section 8; and

17                 (3) not more than 10 percent shall be available  
18                 to pay administrative costs incurred by the State to  
19                 carry out activities described in sections 7 and 8.

20           (h) DEFINITION.—For the purposes of subsections  
21          (a) through (e), the term “State” includes only the 50  
22          States, the District of Columbia, and the Commonwealth  
23          of Puerto Rico.

1 **SEC. 6. APPLICATION AND PLAN.**

2 (a) APPLICATION.—To be eligible to receive a dis-  
3 tribution of funds allotted under section 5, a State shall  
4 submit to the Secretary an application at such time, in  
5 such manner, and containing such information as the Sec-  
6 retary may require by rule and shall include in such appli-  
7 cation—

8 (1) a State plan that satisfies the requirements  
9 of subsection (b); and

10 (2) assurances of compliance satisfactory to the  
11 Secretary with respect to the requirements of section  
12 9.

13 (b) REQUIREMENTS OF PLAN.—

14 (1) LEAD AGENCY.—The State plan shall iden-  
15 tify the lead agency to make grants under this Act  
16 for the State.

17 (2) RECRUITMENT AND RETENTION OF CHILD  
18 CARE PROVIDERS.—The State plan shall describe  
19 how the lead agency will encourage both the recruit-  
20 ment of qualified child care providers who are new  
21 to the child care field and the retention of qualified  
22 child care providers who have a demonstrated com-  
23 mitment to the child care field.

24 (3) NOTIFICATION OF AVAILABILITY OF GRANTS  
25 AND BENEFITS.—The State plan shall describe how  
26 the lead agency will identify all eligible child care

1 providers in the State and notify the providers of the  
2 availability of grants and benefits under this Act.

3 (4) DISTRIBUTION OF GRANTS.—The State  
4 plan shall describe how the lead agency will make  
5 grants under sections 7 and 8 to eligible child care  
6 providers in selected geographical areas in the State  
7 in compliance with the following requirements:

8 (A) SELECTION OF GEOGRAPHICAL  
9 AREAS.—For the purpose of making such  
10 grants for a fiscal year, the State shall—

11 (i) select a variety of geographical  
12 areas, determined by the State, that, col-  
13 lectively—

14 (I) include urban areas, suburban  
15 areas, and rural areas; and

16 (II) are areas whose residents  
17 have diverse income levels; and

18 (ii) give special consideration to geo-  
19 graphical areas selected under this sub-  
20 paragraph for the preceding fiscal year.

21 (B) SELECTION OF CHILD CARE PRO-  
22 VIDERS TO RECEIVE GRANTS.—In making  
23 grants under section 7, the State may make  
24 grants only to eligible child care providers in  
25 geographical areas selected under subparagraph

1 (A), but may give special consideration in such  
2 areas to eligible child care providers—

3 (i) who have attained a higher rel-  
4 evant educational credential;

5 (ii) who provide a specific kind of  
6 child care services;

7 (iii) who provide child care services to  
8 populations who meet specific economic  
9 characteristics; or

10 (iv) who meet such other criteria as  
11 the State may establish.

12 (C) LIMITATION.—The State shall describe  
13 how the State will ensure that grants made  
14 under section 7 to child care providers will not  
15 be used to offset reductions in the compensation  
16 of such providers.

17 (D) REPORTING REQUIREMENT.—With re-  
18 spect to each particular geographical area se-  
19 lected under subparagraph (A), the State shall  
20 provide an assurance that the State will, for  
21 each fiscal year for which such State receives a  
22 grant under section 7—

23 (i) include in the report required by  
24 section 10, detailed information regard-  
25 ing—

1 (I) the continuity of employment  
2 of the grant recipients as child care  
3 providers with the same employer;

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

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

15 during the 2-year period ending on the  
16 deadline for submission of applications for  
17 grants under section 7 for that fiscal year;  
18 and

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

23 (I) the continuity of employment  
24 of the grant recipients as child care  
25 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, detailed in-  
9 formation regarding the rate and fre-  
10 quency of employment turnover of  
11 qualified child care providers through-  
12 out such area,

13 during the 1-year period beginning on the  
14 date on which the grant to the State was  
15 made under section 7.

16 (5) CHILD CARE PROVIDER DEVELOPMENT AND  
17 RETENTION GRANT PROGRAM.—The State plan shall  
18 describe how the lead agency will determine the  
19 amounts of grants to be made under section 7 in ac-  
20 cordance with the following requirements:

21 (A) SUFFICIENT AMOUNTS.—The State  
22 shall demonstrate that the amounts of indi-  
23 vidual grants to be made under section 7 will  
24 be sufficient—

1 (i) to encourage child care providers  
2 to improve their qualifications; and

3 (ii) to retain qualified child care pro-  
4 viders in the child care field.

5 (B) AMOUNTS TO CREDENTIALLED PRO-  
6 VIDERS.—Such grants made to eligible child  
7 care providers who have a child development as-  
8 sociate credential (or equivalent) and who are  
9 employed full-time to provide child care services  
10 shall be in an amount that is not less than  
11 \$1,000 per year.

12 (C) AMOUNTS TO PROVIDERS WITH HIGH-  
13 ER LEVELS OF EDUCATION.—The State shall  
14 make such grants in amounts greater than  
15 \$1,000 per year to eligible child care providers  
16 who have higher levels of education than the  
17 education required for a credential such as a  
18 child development associate credential (or equiv-  
19 alent), according to the following requirements:

20 (i) PROVIDERS WITH BACCALAUREATE  
21 DEGREES IN RELEVANT FIELDS.—An eligi-  
22 ble child care provider who has a bacca-  
23 laureate degree in the area of child devel-  
24 opment or early child education shall re-  
25 ceive a grant under section 7 in an amount

1 that is not less than twice the amount of  
2 the grant that is made under section 7 to  
3 an eligible child care provider who has an  
4 associate of the arts degree in the area of  
5 child development or early child education.

6 (ii) PROVIDERS WITH ASSOCIATE DE-  
7 GREES.—An eligible child care provider  
8 who has an associate of the arts degree in  
9 the area of child development or early child  
10 education shall receive a grant under sec-  
11 tion 7 in an amount that is not less than  
12 150 percent of the amount of the grant  
13 that is made under section 7 to an eligible  
14 child care provider who has a child devel-  
15 opment associate credential (or equivalent)  
16 and is employed full-time to provide child  
17 care services.

18 (iii) OTHER PROVIDERS WITH BACCA-  
19 LAUREATE DEGREES.—

20 (I) IN GENERAL.—Except as pro-  
21 vided in subclause (II), an eligible  
22 child care provider who has a bacca-  
23 laureate degree in a field other than  
24 child development or early child edu-  
25 cation shall receive a grant under sec-

1                   tion 7 in an amount equal to the  
2                   amount of the grant that is made  
3                   under section 7 to an eligible child  
4                   care provider who has an associate of  
5                   the arts degree in the area of child de-  
6                   velopment or early child education.

7                   (II) EXCEPTION.—If an eligible  
8                   child care provider who has such a  
9                   baccalaureate degree obtains addi-  
10                  tional educational training in the area  
11                  of child development or early child  
12                  education, as specified by the State,  
13                  such provider shall receive a grant  
14                  under section 7 in an amount equal to  
15                  the amount of the grant that is made  
16                  under section 7 to an eligible child  
17                  care provider who has a baccalaureate  
18                  degree specified in clause (i).

19                  (D) AMOUNTS TO FULL-TIME PRO-  
20                  VIDERS.—The State shall make a grant under  
21                  section 7 to an eligible child care provider who  
22                  works full-time in a greater amount than the  
23                  amount of the grant that is made under section  
24                  7 to an eligible child care provider who works

1 part-time, based on the State definitions of full-  
2 time and part-time work.

3 (E) AMOUNTS TO EXPERIENCED PRO-  
4 VIDERS.—The State shall make grants under  
5 section 7 in progressively larger amounts to eli-  
6 gible child care providers to reflect the number  
7 of years worked as child care providers.

8 (6) DISTRIBUTION OF CHILD CARE PROVIDER  
9 SCHOLARSHIPS.—The State plan shall describe how  
10 the lead agency will make grants for scholarships in  
11 compliance with section 8 and shall specify the types  
12 of educational and training programs for which the  
13 scholarship grants made under such section may be  
14 used, including only programs that—

15 (A) are administered by institutions of  
16 higher education that are eligible to participate  
17 in student financial assistance programs under  
18 title IV of the Higher Education Act of 1965  
19 (20 U.S.C. 1070 et seq.); and

20 (B) lead to a State or nationally recog-  
21 nized credential in the area of child develop-  
22 ment or early child education, an associate of  
23 the arts degree in the area of child development  
24 or early child education, or a baccalaureate de-

1           gree in the area of child development or early  
2           child education.

3           (7) EMPLOYER CONTRIBUTION.—The State  
4           plan shall describe how the lead agency will encour-  
5           age employers of child care providers to contribute  
6           to the attainment of education goals by eligible child  
7           care providers who receive grants under section 8.

8           (8) SUPPLEMENTATION.—The State plan shall  
9           provide assurances that amounts received by the  
10          State to carry out sections 7, 8, and 9 will be used  
11          only to supplement, and not to supplant, Federal,  
12          State, and local funds otherwise available to support  
13          existing services and activities (as of the date the  
14          amounts are used) that—

15                 (A) encourage child care providers to im-  
16                 prove their qualifications and that promote the  
17                 retention of qualified child care providers in the  
18                 child care field; or

19                 (B) provide health benefits coverage for  
20                 child care providers.

21 **SEC. 7. CHILD CARE PROVIDER DEVELOPMENT AND RE-**  
22 **TENTION GRANT PROGRAM.**

23           (a) IN GENERAL.—A State that receives funds allot-  
24          ted under section 5 and made available to carry out this  
25          section shall expend such funds to pay for the Federal

1 share of the cost of making grants to eligible child care  
2 providers in accordance with this section, to improve the  
3 qualifications and promote the retention of qualified child  
4 care providers.

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

8 (1) have a child development associate creden-  
9 tial (or equivalent), an associate of the arts degree  
10 in the area of child development or early child edu-  
11 cation, a baccalaureate degree in the area of child  
12 development or early child education, or a bacca-  
13 laureate degree in an unrelated field; and

14 (2) be employed as a child care provider for not  
15 less than 1 calendar year, or (if the provider is em-  
16 ployed on the date of the eligibility determination in  
17 a child care program that operates for less than a  
18 full calendar year) the program equivalent of 1 cal-  
19 endar year, ending on the date of the application for  
20 such grant, except that not more than 3 months of  
21 education related to child development or to early  
22 child education obtained during the corresponding  
23 calendar year may be treated as employment that  
24 satisfies the requirements of this paragraph.

1           (c) PRESERVATION OF ELIGIBILITY.—A State shall  
2 not take into consideration whether a child care provider  
3 is receiving, may receive, or may be eligible to receive any  
4 funds or benefits under any other provision of this Act  
5 for purposes of selecting eligible child care providers to  
6 receive grants under this section.

7 **SEC. 8. CHILD CARE PROVIDER SCHOLARSHIP PROGRAM.**

8           (a) IN GENERAL.—A State that receives funds allot-  
9 ted under section 5 and made available to carry out this  
10 section shall expend such funds to pay for the Federal  
11 share of the cost of making scholarship grants to eligible  
12 child care providers in accordance with this section, to im-  
13 prove their educational qualifications to provide child care  
14 services.

15           (b) ELIGIBILITY REQUIREMENT FOR SCHOLARSHIP  
16 GRANTS.—To be eligible to receive a scholarship grant  
17 under this section, a child care provider shall be employed  
18 as a child care provider for not less than 1 calendar year,  
19 or (if the provider is employed on the date of the eligibility  
20 determination in a child care program that operates for  
21 less than a full calendar year) the program equivalent of  
22 1 calendar year, ending on the date of the application for  
23 such grant.

24           (c) SELECTION OF GRANTEES.—For purposes of se-  
25 lecting eligible child care providers to receive scholarship

1 grants under this section and determining the amounts of  
2 such grants, a State shall not—

3           (1) take into consideration whether a child care  
4 provider is receiving, may receive, or may be eligible  
5 to receive any funds or benefits under any other pro-  
6 vision of this Act, or under any other Federal or  
7 State law that provides funds for educational pur-  
8 poses; or

9           (2) consider as resources of such provider any  
10 funds such provider is receiving, may receive, or may  
11 be eligible to receive under any other provision of  
12 this Act, under any other Federal or State law that  
13 provides funds for educational purposes, or from a  
14 private entity.

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

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

1 **SEC. 9. CHILD CARE PROVIDER HEALTH BENEFITS COV-**  
2 **ERAGE.**

3 (a) **SHORT TITLE.**—This section may be cited as the  
4 “Healthy Early Education Workforce Grant Program  
5 Act”.

6 (b) **DEFINITION.**—In this section, the terms “depend-  
7 ent”, “domestic partner”, and “spouse”, used with respect  
8 to a State, have the meanings given the terms by the  
9 State.

10 (c) **GENERAL AUTHORITY.**—A State that receives  
11 funds allotted under section 5 and made available to carry  
12 out this section shall expend such funds to pay for the  
13 Federal share of the cost of providing access to affordable  
14 health benefits coverage for—

15 (1) eligible child care providers; and

16 (2) at the discretion of the State involved, the  
17 spouses, domestic partners, and dependents of such  
18 providers.

19 (d) **PERMISSIBLE ACTIVITIES.**—In carrying out sub-  
20 section (c), the State may expend such funds for any of  
21 the following:

22 (1) To reimburse an employer of an eligible  
23 child care provider, or the provider, for the employ-  
24 er’s or provider’s share (or a portion of the share)  
25 of the premiums or other costs for coverage under  
26 group or individual health plans.

1           (2) To offset the cost of enrolling eligible child  
 2           care providers in public health benefits plans, such  
 3           as the medicaid program under title XIX of the So-  
 4           cial Security Act (42 U.S.C. 1396 et seq.), the State  
 5           children’s health insurance program under title XXI  
 6           of such Act (42 U.S.C. 1397aa et seq.), or public  
 7           employee health benefit plans.

8           (3) To otherwise subsidize the cost of health  
 9           benefits coverage for eligible child care providers.

10          (e) ELIGIBILITY CRITERIA FOR HEALTH BENEFITS  
 11          COVERAGE.—The State may establish criteria to limit the  
 12          child care providers who may receive benefits through the  
 13          allotment.

14          (f) SELECTION OF GRANTEES.—For purposes of se-  
 15          lecting eligible child care providers to receive benefits  
 16          under this section for a fiscal year, a State shall give—

17               (1) highest priority to—

18                       (A) providers that meet any applicable cri-  
 19                       teria established in accordance with subsection  
 20                       (e) and received such assistance during the pre-  
 21                       vious fiscal year; and

22                       (B) at the State’s discretion, the spouses,  
 23                       domestic partners, and dependents of such pro-  
 24                       viders; and

25               (2) second highest priority to—

1 (A) providers that meet any applicable cri-  
2 teria established in accordance with subsection  
3 (e) and are accredited by the National Associa-  
4 tion for the Education of Young Children or the  
5 National Association for Family Child Care;  
6 and

7 (B) at the State's discretion, the spouses,  
8 domestic partners, and dependents of such pro-  
9 viders.

10 **SEC. 10. ANNUAL REPORT.**

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

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

19 (2) containing available data relating to grants  
20 made and benefits provided with such funds, includ-  
21 ing—

22 (A) the number of eligible child care pro-  
23 viders who received such grants and benefits;

24 (B) the amounts of such grants and bene-  
25 fits;

1 (C) any other information that describes or  
2 evaluates the effectiveness of this Act;

3 (D) the particular geographical areas se-  
4 lected under section 6 for the purpose of mak-  
5 ing such grants;

6 (E) with respect to grants made under sec-  
7 tion 7—

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

11 (ii) the level of training and education  
12 of grant recipients;

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

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

22 (v) information on family demo-  
23 graphics of such children;

24 (vi) the types of settings described in  
25 subparagraphs (A), (B), and (C) of section

1                   3(1) in which grant recipients are em-  
2                   ployed; and

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

6                   (F) with respect to grants made under sec-  
7                   tion 8—

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

11                  (ii) the level of training and education  
12                  of grant recipients;

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

19                  (iv) the types of settings described in  
20                  subparagraphs (A), (B), and (C) of section  
21                  3(1) in which grant recipients are em-  
22                  ployed;

23                  (v) the ages of the children who re-  
24                  ceived child care services provided by grant  
25                  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. 11. EVALUATION OF HEALTH BENEFITS PROGRAMS BY**  
11 **SECRETARY.**

12 (a) EVALUATION.—The Secretary shall conduct an  
13 evaluation of several State programs carried out with  
14 grants made under section 9, representing various ap-  
15 proaches to raising the rate of child care providers with  
16 health benefits coverage.

17 (b) ASSESSMENT OF IMPACTS.—In evaluating State  
18 programs under subsection (a), the Secretary may con-  
19 sider any information appropriate to measure the success  
20 of the programs, and shall assess the impact of the pro-  
21 grams on the following:

22 (1) The rate of child care providers with health  
23 benefits coverage.

24 (2) The take-up rate by eligible child care pro-  
25 viders.

1           (3) The turnover rate in the child care field.

2           (4) The average wages paid to a child care pro-  
3       vider.

4       (c) REPORT.—Not later than 3 years after the date  
5 of enactment of this Act, the Secretary shall prepare and  
6 submit a report to Congress containing the results of the  
7 evaluation conducted under subsection (a), together with  
8 recommendations for strengthening programs carried out  
9 with grants made under section 9.

10 **SEC. 12. AUTHORIZATION OF APPROPRIATIONS.**

11       (a) CHILD CARE PROVIDER DEVELOPMENT, RETEN-  
12 TION, AND SCHOLARSHIPS.—There are authorized to be  
13 appropriated to carry out the activities described in sec-  
14 tions 7 and 8 \$500,000,000 for fiscal year 2004 and such  
15 sums as may be necessary for each of fiscal years 2005  
16 through 2008.

17       (b) CHILD CARE PROVIDER HEALTH BENEFITS COV-  
18 ERAGE.—There is authorized to be appropriated to carry  
19 out the activities described in section 9 \$200,000,000 for  
20 fiscal year 2004 and such sums as may be necessary for  
21 each of fiscal years 2005 through 2008.

○