

107TH CONGRESS  
1ST SESSION

# H. R. 2097

To amend the Child Care and Development Block Grant Act of 1990 to provide incentive grants to improve the quality of child care.

---

## IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2001

Mr. BISHOP (for himself, Ms. BROWN of Florida, Mrs. CHRISTENSEN, Mr. CUMMINGS, Mr. DAVIS of Illinois, Ms. DELAURO, Mr. HASTINGS of Florida, Mr. HILLIARD, Mr. JACKSON of Illinois, Mr. JEFFERSON, Ms. LEE, Mr. LEWIS of Georgia, Ms. MCCARTHY of Missouri, Mrs. MEEK of Florida, Mr. MEEKS of New York, Mr. GEORGE MILLER of California, Mr. OWENS, Mr. RANGEL, Mr. RUSH, Mr. SANDERS, Mr. SCOTT, Mr. THOMPSON of Mississippi, Mr. TOWNS, Mr. WATT of North Carolina, Ms. WOOLSEY, Mr. WYNN, Ms. JACKSON-LEE of Texas, Mr. LANGEVIN, and Mrs. MALONEY of New York) introduced the following bill; which was referred to the Committee on Education and the Workforce

---

## A BILL

To amend the Child Care and Development Block Grant Act of 1990 to provide incentive grants to improve the quality of child care.

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 “Child Care Quality  
5 Incentive Act of 2001”.

1 **SEC. 2. FINDINGS AND PURPOSES.**

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

4 (1) Recent research on early brain development  
5 reveals that much of a child’s growth is determined  
6 by early learning and nurturing care. Research also  
7 shows that quality early care and education leads to  
8 increased cognitive abilities, positive classroom learn-  
9 ing behavior, increased likelihood of long-term school  
10 success, and greater likelihood of long-term economic  
11 and social self-sufficiency.

12 (2) Each day an estimated 13,000,000 children,  
13 including 6,000,000 infants and toddlers, spend  
14 some part of their day in child care. However, a  
15 study in 4 States found that only 1 in 7 child care  
16 centers provide care that promotes healthy develop-  
17 ment, while 1 in 8 child care centers provide care  
18 that threatens the safety and health of children.

19 (3) Full-day child care can cost \$4,000 to  
20 \$10,000 per year.

21 (4) Although Federal assistance is available for  
22 child care, funding is severely limited. Even with  
23 Federal subsidies, many families cannot afford child  
24 care. For families with young children and a month-  
25 ly income under \$1,200, the cost of child care typi-  
26 cally consumes 25 percent of their income.

1           (5) Payment (or reimbursement) rates, which  
2 determine the maximum the State will reimburse a  
3 child care provider for the care of a child who re-  
4 ceives a subsidy, are too low to ensure that quality  
5 care is accessible to all families.

6           (6) Low payment rates directly affect the kind  
7 of care children get and whether families can find  
8 quality child care in their communities. In many in-  
9 stances, low payment rates force child care providers  
10 to cut corners in ways that lower the quality of care  
11 for children, including reducing number of staff,  
12 eliminating staff training opportunities, and cutting  
13 enriching educational activities and services.

14           (7) Children in low quality child care are more  
15 likely to have delayed reading and language skills,  
16 and display more aggression toward other children  
17 and adults.

18           (8) Increased payment rates lead to higher  
19 quality child care as child care providers are able to  
20 attract and retain qualified staff, provide salary in-  
21 creases and professional training, maintain a safe  
22 and healthy environment, and purchase basic sup-  
23 plies and developmentally appropriate educational  
24 materials.

1 (b) PURPOSE.—The purpose of this Act is to improve  
2 the quality of, and access to, child care by increasing child  
3 care payment rates.

4 **SEC. 3. INCENTIVE GRANTS TO IMPROVE THE QUALITY OF**  
5 **CHILD CARE.**

6 (a) FUNDING.—Section 658B of the Child Care and  
7 Development Block Grant Act of 1990 (42 U.S.C. 9858)  
8 is amended—

9 (1) by striking “There” and inserting the fol-  
10 lowing:

11 “(a) AUTHORIZATION OF APPROPRIATIONS.—  
12 There”;

13 (2) in subsection (a), by inserting “(other than  
14 section 658H)” after “this subchapter”; and

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

16 “(b) APPROPRIATION OF FUNDS FOR GRANTS TO IM-  
17 PROVE THE QUALITY OF CHILD CARE.—Out of any funds  
18 in the Treasury that are not otherwise appropriated, there  
19 are authorized to be appropriated and there are appro-  
20 priated, \$500,000,000 for fiscal year 2002, and such sums  
21 as may be necessary for each subsequent fiscal year, for  
22 the purpose of making grants under section 658H.”.

23 (b) USE OF BLOCK GRANT FUNDS.—Section  
24 658E(c)(3) of the Child Care and Development Block  
25 Grant Act of 1990 (42 U.S.C. 9858c(c)(3)) is amended—

1 (1) in subparagraph (B), by striking “under  
2 this subchapter” and inserting “from funds appro-  
3 priated under section 658B(a)”; and

4 (2) in subparagraph (D), by inserting “(other  
5 than section 658H)” after “under this subchapter”.

6 (c) ESTABLISHMENT OF PROGRAM.—Section  
7 658G(a) of the Child Care and Development Block Grant  
8 Act of 1990 (42 U.S.C. 9858e(a)) is amended by inserting  
9 “(other than section 658H)” after “this subchapter”.

10 (d) GRANTS TO IMPROVE THE QUALITY OF CHILD  
11 CARE.—The Child Care and Development Block Grant  
12 Act of 1990 (42 U.S.C. 9858 et seq.) is amended by in-  
13 serting after section 658G the following:

14 **“SEC. 658H. GRANTS TO IMPROVE THE QUALITY OF CHILD**  
15 **CARE.**

16 “(a) AUTHORITY.—

17 “(1) IN GENERAL.—The Secretary shall use the  
18 amount appropriated under section 658B(b) for a  
19 fiscal year to make grants to eligible States in ac-  
20 cordance with this section.

21 “(2) ANNUAL PAYMENTS.—The Secretary shall  
22 make an annual payment for such a grant to each  
23 eligible State out of the allotment for that State de-  
24 termined under subsection (c).

25 “(b) ELIGIBLE STATES.—

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

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

7           “(B) submits an application in accordance  
8 with paragraph (2).

9           “(2) APPLICATION.—

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

17           “(B) INFORMATION REQUIRED.—Each ap-  
18 plication submitted for a grant under this sec-  
19 tion shall—

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

23           “(ii) describe the State’s plan to in-  
24 crease payment rates from the initial base-  
25 line determined under clause (i); and

1                   “(iii) describe how the State will in-  
2                   crease payment rates in accordance with  
3                   the market survey results.

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

7                   “(A) the Secretary determines that the  
8                   State has made progress, through the activities  
9                   assisted under this subchapter, in maintaining  
10                  increased payment rates; and

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

14                  “(4) REQUIREMENT OF MATCHING FUNDS.—

15                  “(A) IN GENERAL.—To be eligible to re-  
16                  ceive a grant under this section, the State shall  
17                  agree to make available State contributions  
18                  from State sources toward the costs of the ac-  
19                  tivities to be carried out by a State pursuant to  
20                  subsection (d) in an amount that is not less  
21                  than 25 percent of such costs.

22                  “(B) DETERMINATION OF STATE CON-  
23                  TRIBUTIONS.—State contributions shall be in  
24                  cash. Amounts provided by the Federal Govern-

1           ment may not be included in determining the  
2           amount of such State contributions.

3           “(c) ALLOTMENTS TO ELIGIBLE STATES.—The  
4 amount appropriated under section 658B(b) for a fiscal  
5 year shall be allotted among the eligible States in the same  
6 manner as amounts are allotted under section 658O(b).

7           “(d) USE OF FUNDS.—

8           “(1) PRIORITY USE.—An eligible State that re-  
9 ceives a grant under this section shall use the funds  
10 received to significantly increase the payment rate  
11 for the provision of child care assistance in accord-  
12 ance with this subchapter up to the 100th percentile  
13 of the market rate survey described in subsection  
14 (b)(1)(A).

15           “(2) ADDITIONAL USES.—An eligible State that  
16 demonstrates to the Secretary that the State has  
17 achieved a payment rate of the 100th percentile of  
18 the market rate survey described in subsection  
19 (b)(1)(A) may use funds received under a grant  
20 made under this section for any other activity that  
21 the State demonstrates to the Secretary will enhance  
22 the quality of child care services provided in the  
23 State.

24           “(3) SUPPLEMENT NOT SUPPLANT.—Amounts  
25 paid to a State under this section shall be used to

1 supplement and not supplant other Federal, State,  
2 or local funds provided to the State under this sub-  
3 chapter or any other provision of law.

4 “(e) EVALUATIONS AND REPORTS.—

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

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

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

22 (e) PAYMENTS.—Section 658J(a) of the Child Care  
23 and Development Block Grant Act of 1990 (42 U.S.C.  
24 9858h(a)) is amended by inserting “from funds appro-  
25 priated under section 658B(a)” after “section 658O”.

1 (f) ALLOTMENT.—Section 6580 of the Child Care  
2 and Development Block Grant Act of 1990 (42 U.S.C.  
3 9858m) is amended—

4 (1) in subsection (a)—

5 (A) in paragraph (1), by striking “this  
6 subchapter” and inserting “section 658B(a)”;  
7 and

8 (B) in paragraph (2), by striking “section  
9 658B” and inserting “section 658B(a)”;

10 (2) in subsection (b)(1), in the matter pre-  
11 ceding subparagraph (A), by inserting “each sub-  
12 section of” before “section 658B”; and

13 (3) in subsection (e)—

14 (A) in paragraph (1), by striking “the al-  
15 lotment under subsection (b)” and inserting  
16 “an allotment made under subsection (b)”;

17 (B) in paragraph (3), by inserting “cor-  
18 responding” before “allotment”.

○