

107TH CONGRESS
2^D SESSION

H. R. 5673

To improve access by working families to affordable early education programs, to increase the number of employers offering an early education benefit to employees, and to develop innovative models of public-private partnerships in the provision of affordable early education.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2002

Mr. KENNEDY of Rhode Island introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To improve access by working families to affordable early education programs, to increase the number of employers offering an early education benefit to employees, and to develop innovative models of public-private partnerships in the provision of affordable early education.

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 “Early Education Em-
5 ployee Benefit Act of 2002”.

1 **SEC. 2. AUTHORITY TO MAKE GRANTS.**

2 The Secretary of Health and Human Services may
3 make grants on a competitive basis, and payable during
4 a period of not less than 2 years and not more than 5
5 years, to eligible States and political subdivisions of
6 States—

7 (1) to establish innovative partnerships with
8 private partners to reduce the cost incurred by em-
9 ployees and union members to obtain early education
10 (including child care, preschool, and other early
11 childhood programs), or

12 (2) to assist private partners to pay part of the
13 cost of acquiring, building, and renovating physical
14 premises to be used as new early education facilities.

15 **SEC. 3. ELIGIBILITY OF STATES AND POLITICAL SUBDIVI-**
16 **SIONS OF STATES TO RECEIVE GRANTS.**

17 To be eligible to receive a grant under section 2, a
18 State or a political subdivision of a State shall submit to
19 the Secretary an application at such time, in such form,
20 and containing such information as the Secretary may re-
21 quire by rule, including—

22 (1) the agency designated by the State, or the
23 political subdivision of a State, to serve as the lead
24 agency that will administer such grant,

25 (2) a description of the program such applicant
26 intends to carry out with such grant,

1 (3) a description of the source, and increasing
2 annual amount, of the funds such applicant will use
3 to pay the non-Federal share of the cost to carry out
4 such program during a period not less than 2 years
5 and not more than 5 years, and

6 (4) an agreement that such State or such polit-
7 ical subdivision—

8 (A) will contribute (from non-Federal
9 funds) to carry out such program, an amount
10 equal to 50 percent of the amount of such
11 grant,

12 (B) will not require a private partner to
13 offer on-site early education as a condition for
14 participation in an Early Education Benefit
15 Agreement, and

16 (C) will use such grant to supplement, not
17 supplant, spending by such State, such political
18 subdivision, and private partners to improve ac-
19 cess to and enhance the quality of early edu-
20 cation.

21 **SEC. 4. SELECTION OF APPLICANTS TO RECEIVE GRANTS.**

22 In making grants under this Act, the Secretary shall
23 give priority to eligible applicants that—

24 (1) are, in the judgment of the Secretary, most
25 likely to increase the number of employees and mem-

1 bers who receive an Early Education Benefit
2 through their employers and unions,

3 (2) propose innovative public-private partner-
4 ships that will carry out early education programs
5 that are likely to be replicated,

6 (3) are likely to be sustainable beyond the pe-
7 riod during which such grant is expended,

8 (4) are developed in consultation with child care
9 resource and referral agencies and networks, and
10 with employers and unions,

11 (5) demonstrate the intention and ability to
12 provide—

13 (A) with funds to be expended for the use
14 described in section 5(1), Early Education Ben-
15 efits through Early Education Benefit Agree-
16 ments to a significant number of employees of
17 private employers with fewer than 50 employ-
18 ees, or

19 (B) with funds to be expended for the use
20 described in section 5(2), Early Education
21 Start-up Grants to private employers with fewer
22 than 50 employees, and

23 (6) have experience working on early child-
24 hood issues and working in partnership with the
25 business community, or have an agreement to

1 implement the program funded by a grant made
2 under section 2 through a nonprofit entity with
3 such experience.

4 **SEC. 5. USES OF FUNDS.**

5 A recipient of a grant made under section 2 shall use
6 such grant—

7 (1) to enter into Early Education Benefit
8 Agreements to provide Early Education Benefits, or

9 (2) to provide funds to private partners to es-
10 tablish new early education facilities,

11 except that not more than 5 percent of such grant may
12 be used to pay administrative costs incurred by such re-
13 cipient to carry out this Act, including providing outreach
14 to private partners.

15 **SEC. 6. EARLY EDUCATION BENEFIT AGREEMENTS.**

16 (a) ELIGIBILITY.—To be eligible to receive funds to
17 be used for the purpose specified in section 5(1) from a
18 grant made under section 2, a private partner, or con-
19 sortia of private partners, shall enter into an Early Edu-
20 cation Benefit Agreement with the recipient of such grant
21 that includes the following:

22 (1) An assurance that such private partner, or
23 such consortia, will pay not less than—

24 (A) $\frac{1}{3}$ of the cost of such Early Education
25 Benefit, or

1 (B) $\frac{1}{5}$ of such cost if such private partner,
2 or such consortia, creates a new early education
3 facility that—

4 (i) serves children less than 2 years of
5 age or children with disabilities, or

6 (ii) is available during nontraditional
7 work hours.

8 (2) An assurance that such private partner, or
9 such consortia, shall offer such Early Education
10 Benefit on a priority basis to such employees or such
11 members who have lower incomes if such Early Edu-
12 cation Benefit is not offered to all such employees or
13 all such members.

14 (3) An assurance that if such private partner,
15 or such consortia, requires that such Early Edu-
16 cation Benefit received by an employee or member
17 be expended at a limited number of sites where early
18 education (including child care, preschool, and other
19 early childhood programs) is provided, then there
20 shall be at least 1 provider of early education (in-
21 cluding child care, preschool, and other early child-
22 hood programs) for which such Early Education
23 Benefit may be expended, that is—

1 (A) located at or near the residence or
2 place of employment of such employee or such
3 member, and

4 (B) accredited by the National Association
5 for the Education of Young Children or the Na-
6 tional Association for Family Child Care, or
7 taking steps to obtain such accreditation.

8 (4) An assurance that early education paid for
9 in whole or in part by such Early Education Benefit
10 will be provided by a provider that is licensed or reg-
11 ulated by the State.

12 (5) A detailed description of—

13 (i) the nature of the Early Education Ben-
14 efit to be provided,

15 (ii) the respective financial contributions of
16 such private partner, or such consortia, and
17 such grant recipient, and the procedures by
18 which such contributions will be made,

19 (iii) the number of employees or members
20 expected to receive the Early Education Benefit
21 provided under such Agreement, and

22 (iv) the estimated total cost of such Ben-
23 efit to such private partner (or such consortia),
24 such grant recipient, and such employees or
25 such members.

1 (b) SELECTION OF PRIVATE PARTNERS TO ENTER
2 INTO EARLY EDUCATION BENEFIT AGREEMENTS.—In se-
3 lecting private partners with which to enter into Early
4 Education Benefit Agreements, a recipient of a grant
5 made under section 2 shall give priority to—

6 (1) private partners that will make larger finan-
7 cial contributions to the Early Education Benefit,

8 (2) private partners with fewer employees or
9 members,

10 (3) private partners that will make an Early
11 Education Benefit available to employees and mem-
12 bers on a sliding scale inversely proportional to their
13 level of earned income, and

14 (4) private partners that have a history of per-
15 sonnel policies and practices that enable their em-
16 ployees or their members to balance work commit-
17 ments with family obligations.

18 **SEC. 7. EARLY EDUCATION START-UP GRANTS.**

19 (a) ELIGIBILITY TO RECEIVE FUNDS.—To be eligible
20 to receive funds for the use specified in section 5(2) from
21 a grant made under section 2, a private partner shall
22 agree—

23 (1) to subsidize attendance at the proposed new
24 early education facility for children of lower-paid em-
25 ployees or members, and

1 (2) to pay not less than $\frac{1}{3}$ of the cost of ac-
2 quiring, building, and renovating physical premises
3 to be used as such facility.

4 (b) SELECTION OF PRIVATE PARTNERS TO RECEIVE
5 FUNDS.—In providing funds to private partners from a
6 grant received for the use specified in section 5(2), a re-
7 cipient of a grant made under section 2 shall give priority
8 to—

9 (1) private partners that will create a facility to
10 provide early education that—

11 (A) serves children less than 2 years of age
12 or children with disabilities, or

13 (B) is available during nontraditional
14 hours during which their parents are employed,

15 (2) private partners that will operate such a fa-
16 cility that is accredited, has a low ratio of children
17 to adults, or demonstrates other facts that show
18 such facility offers an early education program of
19 high quality,

20 (3) private partners that will pay with non-
21 governmental funds a larger share of the cost of the
22 use for which the Early Education Start-up Grant
23 funds will be expended,

24 (4) private partners that have fewer employees
25 or members, and

1 (5) private partners that have a history of per-
2 sonnel policies and practices that enable their em-
3 ployees or members to balance work commitments
4 with family obligations.

5 **SEC. 8. REPORTS.**

6 (a) **REPORTS BY GRANTEES.**—The Secretary shall
7 issue rules that require each recipient of a grant made
8 under section 2 to submit annually to the Secretary a re-
9 port that includes the following information for the fiscal
10 year for which such report is submitted:

11 (1) The number of Early Education Benefit
12 Agreements participated in and Start-Up Grants
13 made.

14 (2) Information about the private partners, in-
15 cluding the industry of which they are a part and
16 their size.

17 (3) Information about the number of employees
18 who are both offered and are receiving Early Edu-
19 cation Benefits as a result of such grant, including
20 the number and average incomes of employees who
21 are receiving Early Education Benefits and the
22 number of employees who were offered and declined
23 Early Education Benefits.

24 (4) Information about the amount of private
25 spending on Early Education Benefits and on the in-

1 vestment in new early education facilities leveraged
2 by the grants.

3 (5) If appropriate and available, information
4 about whether and at what level private partners
5 have continued to provide Early Education Benefits
6 after the conclusion of the grantee's participation in
7 an Early Education Benefit Agreement.

8 (b) REPORTS BY THE SECRETARY.—The Secretary
9 shall submit to the Congress biennially a report that in-
10 cludes the following information for the period of 2 fiscal
11 years for which such report is submitted:

12 (1) Summaries of the reports received under
13 subsection (a) by the Secretary for such period.

14 (2) A description of the implementation of this
15 Act, and its impact on employees' access to early
16 education programs for their children, during such
17 period.

18 **SEC. 9. DEFINITIONS.**

19 For purposes of this Act:

20 (1) CHILD.—The term “child” means an indi-
21 vidual who is less than 6 years of age.

22 (2) EARLY EDUCATION BENEFIT.—The term
23 “Early Education Benefit” means assistance, in
24 cash or in kind, to pay any part of the cost incurred
25 by employees and union members to obtain early

1 education (including child care, preschool, and other
2 early childhood programs) for their children.

3 (3) EARLY EDUCATION BENEFIT AGREE-
4 MENT.—The term “Early Education Benefit Agree-
5 ment” means a contract under which a recipient of
6 a grant under section 2 and a private partner that
7 receives from such recipient funds provided for the
8 use described in section 5(1) agree to provide jointly
9 an Early Education Benefit for children of the mem-
10 bers or employees of such private partner.

11 (4) PRIVATE PARTNER.—The term “private
12 partner” means a private employer, labor union, and
13 consortia of employers or labor unions.

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

16 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

17 There are authorized to be appropriated to carry out
18 this Act such sums as may be necessary for fiscal years
19 2003 through 2007.

○