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TITLE S.1885--A Bill To Provide for a Federal Program for the Improvement of Child Care, and for Other Purposes. Senate, 100th Congress, 2d Session.

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ABSTRACT

Senate bill S.1885, "Act for Better Child Care Services of 1988," is designed to provide for a federal program for the improvement of child care. The bill aims to strengthen the role of the family by ensuring that parents are not forced by lack of available programs or financial resources to place a child in unsafe or unhealthy child care. The bill is also intended to promote the availability and diversity of quality child care services in order to expand child care options available to families. Sections of the bill concern: (1) findings and purposes; (2) definitions; (3) authorization of appropriations; (4) amounts reserved and allotments; (5) the lead agency; (6) application and plan; (7) special rules for use of state allotments; (8) planning grants; (9) continuing eligibility of states; (10) the state advisory committee on child care; (11) resource and referral programs; (12) training and technical assistance; (13) federal administration of child care; (14) federal enforcement; (15) payments; (16) National Advisory Committee on Child Care Standards; (17) limitations on use of financial assistance; (18) nondiscrimination; and (19) preservation of parental rights and responsibilities. (RH)

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Calendar No. 906

100TH CONGRESS
2D SESSION

S. 1885

[Report No. 100-484]

To provide for a Federal program for the improvement of child care, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 19, 1987

Mr. DODD (for himself, Mr. CRANSTON, Mr. CHAFEE, Mr. HOLLINGS, Mr. SIMON, Mr. SANFORD, Ms. MIKULSKI, Mr. HARKIN, Mr. REID, Mr. MATSUNAGA, Mr. MITCHELL, Mr. PELL, Mr. BRADLEY, Mr. BURDICK, Mr. MOYNIHAN, Mr. DeCONCINI, Mr. RIEGLE, Mr. ADAMS, Mr. LAUTENBERG, Mr. KENNEDY, Mr. DASCHLE, Mr. WEICKER, Mr. BINGAMAN, Mr. WIRTH, Mr. METZENBAUM, Mr. BUMPERS, Mr. PRYOR, Mr. INOUE, Mr. LEVIN, Mr. MELCHER, Mr. SARBANES, Mr. ROCKEFELLER, Mr. BIDEN, Mr. KERRY, Mr. LEAHY, Mr. CONRAD, Mr. BAUCUS, Mr. GORE, and Mr. D'AMATO) introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

AUGUST 11 (legislative day, AUGUST 10), 1988

Reported by Mr. KENNEDY, with an amendment.

(Strike out all after the enacting clause and insert the part printed in italic)

A BILL

To provide for a Federal program for the improvement of child care, 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,*

PS 01750

1 such Act (42 U.S.C. 2000c-2(e)). Nor shall any such provid-
 2 er discriminate in employment on the basis of handicap.

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the “Act
 5 for Better Child Care Services of 1988”.

6 (b) **TABLE OF CONTENTS.**—

Sec. 1. Short title and table of contents.

Sec. 2. Findings and purposes.

Sec. 3. Definitions.

Sec. 4. Authorization of appropriations.

Sec. 5. Amounts reserved; allotments.

Sec. 6. Lead agency.

Sec. 7. Application and plan.

Sec. 8. Special rules for use of State allotments.

Sec. 9. Planning grants.

Sec. 10. Continuing eligibility of States.

Sec. 11. State advisory committee on child care.

Sec. 12. Resource and referral programs.

Sec. 13. Training and technical assistance.

Sec. 14. Federal administration of child care.

Sec. 15. Federal enforcement.

Sec. 16. Payments.

Sec. 17. National Advisory Committee on Child Care Standards.

Sec. 18. Limitations on use of financial assistance for certain purposes.

Sec. 19. Nondiscrimination.

Sec. 20. Preservation of parental rights and responsibilities.

7 **SEC. 2. FINDINGS AND PURPOSES.**

8 (a) **FINDINGS.**—Congress finds that—

9 (1) the number of children living in homes where
 10 both parents work, or living in homes with a single
 11 parent who works, has increased dramatically over the
 12 last decade;

13 (2) the availability of quality child care is critical
 14 to the self-sufficiency and independence of millions of
 15 American families, including the growing number of

1 *mothers with young children who work out of economic*
2 *necessity;*

3 *(3) high quality child care programs can strength-*
4 *en our society by providing young children with the*
5 *foundation on which to learn the basic skills necessary*
6 *to be productive workers;*

7 *(4) the years from birth to age 6 are a critical*
8 *period in the development of a young child;*

9 *(5) a significant number of parents do not have a*
10 *real choice as they seek adequate child care for their*
11 *young children because of limited incomes, insufficient*
12 *State child care standards, and the inadequate supply*
13 *of child care services in their community;*

14 *(6) high quality early childhood development pro-*
15 *grams provided during such period are cost effective be-*
16 *cause such programs can reduce the chances of juvenile*
17 *delinquency and adolescent pregnancy and can im-*
18 *prove the likelihood that children will finish high*
19 *school and become employed;*

20 *(7) the number of quality child care arrangements*
21 *falls far short of the number required for children in*
22 *need of child care services;*

23 *(8) the rapid growth of participation in the labor*
24 *force by mothers of children under the age of 1 has re-*

1 *sulted in a critical shortage of quality child care ar-*
2 *rangements for infants and toddlers;*

3 *(9) the lack of available child care services results*
4 *in many preschool and school-age children being left*
5 *without adequate supervision for significant parts of*
6 *the day;*

7 *(10) many working parents who are unable to*
8 *afford adequate child care services do not receive ade-*
9 *quate financial assistance for such services from em-*
10 *ployers or public sources;*

11 *(11) because of the lack of affordable child care, a*
12 *large number of parents are not able to work or to seek*
13 *the training or education they need to become self suffi-*
14 *cient;*

15 *(12) making adequate child care services available*
16 *for parents who are employed, seeking employment, or*
17 *seeking to develop employment skills promotes and*
18 *strengthens the well-being of families and the national*
19 *economy;*

20 *(13) the payment of the exceptionally low salaries*
21 *to child care workers adversely affects the quality of*
22 *child care services by making it difficult to retain*
23 *qualified staff;*

1 (14) several factors result in the shortage of qual-
2 ity child care options for children and parents, includ-
3 ing—

4 (A) the inability of parents to pay for child
5 care services;

6 (B) the lack of up-to-date information on
7 child care services;

8 (C) the lack of training opportunities for
9 staff in child care programs;

10 (D) the high rate of staff turnover in child
11 care facilities; and

12 (E) the wide differences among the States in
13 child care licensing and enforcement policies; and

14 (15) improved coordination of child care services
15 will help to promote the most efficient use of child care
16 resources.

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

18 (1) to build on and to strengthen the role of the
19 family by seeking to ensure that parents are not forced
20 by lack of available programs or financial resources to
21 place a child in an unsafe or unhealthy child care fa-
22 ility or arrangement;

23 (2) to promote the availability and diversity of
24 quality child care services to expand child care options
25 available to all families who need such services;

1 (3) to provide assistance to families whose finan-
2 cial resources are not sufficient to enable such families
3 to pay the full cost of necessary child care services;

4 (4) to lessen the chances that children will be left
5 to fend for themselves for significant parts of the day;

6 (5) to improve the productivity of parents in the
7 labor force by lessening the stresses related to the ab-
8 sence of adequate child care services;

9 (6) to provide assistance to States to improve the
10 quality of, and coordination among, child care pro-
11 grams;

12 (7) to increase the opportunities for attracting and
13 retaining qualified staff in the field of child care to
14 provide high quality child care services to children; and

15 (8) to strengthen the competitiveness of the United
16 States by providing young children with a sound early
17 childhood development experience.

18 **SEC. 3. DEFINITIONS.**

19 As used in this Act:

20 (1) **ADMINISTRATOR.**—The term “Administrator”
21 means the Administrator of Child Care appointed
22 under section 14(a).

23 (2) **CAREGIVER.**—The term “caregiver” means
24 an individual who provides a service directly to an eli-
25 gible child on a person-to-person basis.

1 (3) *CENTER-BASED CHILD CARE PROVIDER.*—

2 The term “center-based child care provider” means a
3 child care provider that provides child care services in
4 a nonresidential facility.

5 (4) *CHILD CARE CERTIFICATE.*—The term
6 “child care certificate” means a certificate that is
7 issued by the State to parents who may use such certif-
8 icate only as payment for child care services for an eli-
9 gible child and that provides to eligible child care pro-
10 viders a right to reimbursement for such services at the
11 fair market rate of such services.

12 (5) *COMMUNITY-BASED ORGANIZATION.*—The
13 term “community-based organization” has the meaning
14 given such term by section 4(5) of the Job Training
15 and Partnership Act. (29 U.S.C. 1503(5)).

16 (6) *ELEMENTARY SCHOOL.*—The term “elemen-
17 tary school” means a day or residential school that
18 provides elementary education, as determined under
19 State law.

20 (7) *ELIGIBLE CHILD.*—The term “eligible child”
21 means an individual—

22 (A) who is less than 16 years of age;

23 (B) whose family income does not exceed
24 100 percent of the State median income for a
25 family of the same size; and

1 (C) who—

2 (i) resides with a parent or parents who
3 are working, seeking employment, or enrolled
4 in a job training or educational program; or

5 (ii) is receiving, or needs to receive, pro-
6 tective services and resides with a parent or
7 parents not described in clause (i).

8 (8) *ELIGIBLE CHILD CARE PROVIDER.*—The
9 term “eligible child care provider” means a center-
10 based child care provider, a group home child care pro-
11 vider, a family child care provider, or other provider of
12 child care services for compensation that—

13 (A) is licensed or regulated under State law;

14 (B) satisfies—

15 (i) the Federal requirements, except as
16 provided in subparagraph (C); and

17 (ii) the State and local requirements;
18 applicable to the child care services it provides;
19 and

20 (C) after the expiration of the 5-year period
21 beginning on the date the Secretary establishes
22 minimum child care standards under section
23 17(e)(2), complies with such standards that are
24 applicable to the child care services it provides.

1 (9) *FAMILY CHILD CARE PROVIDER.*—The term
2 “family child care provider” means 1 individual who
3 provides child care services for fewer than 24 hours per
4 day, as the sole caregiver, and in the private residence
5 of such individual.

6 (10) *FAMILY SUPPORT SERVICES.*—The term
7 “family support services” means services that assist
8 parents by providing support in parenting and by link-
9 ing parents with community resources and with other
10 parents.

11 (11) *FULL-WORKING-DAY.*—The term “full-work-
12 ing-day” means at least 10 hours per day.

13 (12) *GROUP HOME CHILD CARE PROVIDER.*—
14 The term “group home child care provider” means 2 or
15 more individuals who jointly provide child care serv-
16 ices for fewer than 24 hours per day and in a private
17 residence.

18 (13) *HANDICAPPING CONDITION.*—The term
19 “handicapping condition” means any condition set
20 forth in section 602(a)(1) of the Education of the
21 Handicapped Act (20 U.S.C. 1401(a)(1)) or section
22 672(1) of the Education of the Handicapped Act (20
23 U.S.C. 1471(a)).

24 (14) *INDIAN TRIBE.*—The term “Indian tribe”
25 has the meaning given it in section 4(b) of the Indian

1 *Self-Determination and Education Assistance Act (25*
2 *U.S.C. 450b(b)).*

3 (15) *INSTITUTION OF HIGHER EDUCATION.—*

4 *The term "institution of higher education" has the*
5 *meaning given such term in section 481(a)(1) of the*
6 *Higher Education Act of 1965 (20 U.S.C.*
7 *1088(a)(1)), except that with respect to a tribally con-*
8 *trolled community college such term has the meaning*
9 *given it in section 2(a)(5) of the Tribally Controlled*
10 *Community College Assistance Act of 1978 (25*
11 *U.S.C. 1801(a)(5)).*

12 (16) *LEAD AGENCY.—The term "lead agency"*
13 *means the agency designated under section 6(a).*

14 (17) *LOCAL EDUCATIONAL AGENCY.—The term*
15 *"local educational agency" has the meaning given that*
16 *term in section 198(a)(10) of the Elementary and Sec-*
17 *ondary Education Act of 1965 (20 U.S.C.*
18 *2854(a)(10)).*

19 (18) *PARENT.—The term "parent" includes a*
20 *legal guardian or other person standing in loco paren-*
21 *tis.*

22 (19) *SCHOOL-AGE CHILD CARE SERVICES.—*
23 *The term "school-age child care services" means child*
24 *care services that are—*

1 “(A) provided during such times of the school
2 day when regular instructional services are not in
3 session; and

4 “(B) not intended as an extension of or re-
5 placement for the regular academic program, but
6 are intended to provide an environment which en-
7 hances the social, emotional, and recreational de-
8 velopment of children of school age;

9 (20) *SECONDARY SCHOOL*.—The term “second-
10 ary school” means a day or residential school which
11 provides secondary education, as determined under
12 State law.

13 (21) *SECRETARY*.—The term “Secretary” means
14 the Secretary of Health and Human Services unless
15 the context specifies otherwise.

16 (22) *SCHOOL FACILITIES*.—The term “school fa-
17 cilities” means classrooms and related facilities used to
18 provide education.

19 (23) *SLIDING FEE SCALE*.—The term “sliding
20 fee scale” means a system of cost sharing between the
21 State and a family based on income and size of the
22 family with the very low income families having to pay
23 no cost.

24 (24) *STATE*.—The term “State” means any of
25 the several States, the District of Columbia, the Virgin

1 *Islands of the United States, the Commonwealth of*
 2 *Puerto Rico, Guam, American Samoa, the Common-*
 3 *wealth of the Northern Mariana Islands, the Marshall*
 4 *Islands, the Federated States of Micronesia, or Palau.*

5 (25) UNIT OF GENERAL PURPOSE LOCAL GOV-
 6 ERNMENT.—*The term "unit of general purpose local*
 7 *government" means any city, county, town, township,*
 8 *parish, village, a combination of such general purpose*
 9 *political subdivisions including those in two or more*
 10 *States, or other general purpose political subdivisions*
 11 *of a State.*

12 (26) TRIBAL ORGANIZATION.—*The term "tribal*
 13 *organization" has the meaning given it in section 4(c)*
 14 *of the Indian Self-Determination and Education As-*
 15 *sistance Act (25 U.S.C. 450b(c)).*

16 (27) TRIBALLY CONTROLLED COMMUNITY COL-
 17 LEGE.—*The term "tribally controlled community col-*
 18 *lege" has the meaning given it in section 2(a)(4) of the*
 19 *Tribally Controlled Community College Assistance Act*
 20 *of 1978 (25 U.S.C. 1801(a)(4)).*

21 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

22 *To carry out this Act, there are authorized to be appro-*
 23 *priated \$2,500,000,000 for the fiscal year 1989 and such*
 24 *sums as may be necessary in each of the fiscal years 1990*
 25 *through 1993.*

1 **SEC. 5. AMOUNTS RESERVED; ALLOTMENTS.**

2 **(a) AMOUNTS RESERVED.—**

3 **(1) TERRITORIES AND POSSESSIONS.—***The*
4 *Secretary shall reserve not to exceed one half of 1 per-*
5 *cent of the amount appropriated under section 4 in*
6 *each fiscal year for payments to Guam, American*
7 *Samoa, the Virgin Islands of the United States, the*
8 *Commonwealth of the Northern Mariana Islands, the*
9 *Marshall Islands, the Federated States of Micronesia,*
10 *and Palau, to be allotted in accordance with their re-*
11 *spective needs.*

12 **(2) INDIANS.—***The Secretary shall reserve an*
13 *amount, not less than 1.5 percent and not more than 3*
14 *percent of the amount appropriated under section 4 in*
15 *each fiscal year, to carry out subsection (c) regarding*
16 *Indian children.*

17 **(b) STATE ALLOTMENT.—**

18 **(1) GENERAL RULE.—***From the remainder of the*
19 *sums appropriated under section 4 for each fiscal year,*
20 *the Secretary shall allot to each State (excluding juris-*
21 *dictions referred to in subsection (a)(1)) an amount*
22 *equal to the sum of—*

23 **(A)** *an amount that bears the same ratio to*
24 *50 percent of such remainder as the product of the*
25 *young child factor of the State and the allotment*

1 percentage bears to the sum of the corresponding
2 products for all States; and

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

8 (2) **YOUNG CHILD FACTOR.**—The term “young
9 child factor” means the ratio of the number of children
10 in the State who are less than 5 years of age to the
11 number of children in all the States who are less than
12 5 years of age.

13 (3) **SCHOOL LUNCH FACTOR.**—The term “school
14 lunch factor” means the ratio of the number of children
15 in the State who are receiving free or reduced price
16 lunches under the school lunch program established
17 under the National School Lunch Act (42 U.S.C.
18 1751 et seq.) to the number of children in all the
19 States who are receiving free or reduced price lunches
20 under such program.

21 (4) **ALLOTMENT PERCENTAGE.**—

22 (A) **IN GENERAL.**—The allotment percentage
23 for a State is determined by dividing—

24 (i) the per capita income of all individ-
25 uals in the United States; by

1 (ii) the per capita income of all individ-
2 uals in the State.

3 (B) LIMITATIONS.—If a sum determined
4 under subparagraph (A)—

5 (i) exceeds 1.2, then the allotment per-
6 centage of that State shall be considered to
7 be 1.2; and

8 (ii) is less than 0.8, then the allotment
9 percentage of the State shall be considered to
10 be 0.8.

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

13 (i) determined at 2-year intervals;

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

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

24 (c) PAYMENTS FOR THE BENEFIT OF INDIAN CHIL-
25 DREN.—

1 (1) *TRIBAL ORGANIZATIONS.*—From the funds
2 reserved under subsection (a)(2), the Secretary may,
3 upon the application of an Indian tribe or tribal orga-
4 nization enter into a contract with, or make a grant to
5 such Indian tribe or tribal organization for a period of
6 3 years, subject to satisfactory performance, to plan
7 and carry out programs and activities that are consist-
8 ent with this Act. Such contract or grant shall be sub-
9 ject to the terms and conditions of section 102 of the
10 Indian Self-Determination Act (25 U.S.C. 450f) and
11 shall be conducted in accordance with sections 4, 5,
12 and 6 of the Act of April 16, 1934 (48 Stat. 596; 25
13 U.S.C. 655-657), that are relevant to such programs
14 and activities.

15 (2) *INDIAN RESERVATIONS.*—In the case of an
16 Indian tribe in a State other than the States of Okla-
17 homa, Alaska, and California, such programs and ac-
18 tivities shall be carried out on the Indian reservation
19 for the benefit of Indian children.

20 (3) *STANDARDS.*—

21 (A) *IN GENERAL.*—Subject to subparagraph
22 (B), the Secretary shall establish, through the ap-
23 plication process, standards applicable to child
24 care services provided under such programs and
25 activities. For purposes of establishing such stand-

1 *ards, the Secretary shall take into consider-*
 2 *ation—*

3 *(i) the codes, regulations, and cultural*
 4 *factors of the Indian tribe involved, as ex-*
 5 *pressed by such tribe or the tribal organiza-*
 6 *tion that represents such tribe; and*

7 *(ii) the State licensing and regulatory*
 8 *requirements applicable to child care services*
 9 *provided in the State in which such program*
 10 *and activities are carried out.*

11 *(B) APPLICATION.—*

12 *(i) RULE.—Except as provided in*
 13 *clause (ii), after the Secretary establishes*
 14 *minimum child care standards under section*
 15 *17(e)(2), such minimum standards shall*
 16 *apply with respect to child care services pro-*
 17 *vided under such programs and activities.*

18 *(ii) WAIVERS AND MODIFICATIONS.—*
 19 *The Secretary may waive or modify, for a*
 20 *period not to exceed 5 years beginning on the*
 21 *date such minimum standards are estab-*
 22 *lished, any of such minimum standards that*
 23 *would limit the capacity of an Indian tribe*
 24 *or tribal organization to receive funds under*
 25 *this Act if the Secretary determines that*

1 *there is a reasonable expectation that each of*
2 *such standards requested to be waived will be*
3 *met by the applicant by the end of the period*
4 *for which the waiver is requested.*

5 **(4) AVAILABILITY OF STATE CHILD CARE SERV-**
6 **ICES.**—*For the purpose of determining whether to ap-*
7 *prove an application for a contract or grant under this*
8 *subsection, the Secretary shall take into consideration*
9 *the availability of child care services provided in ac-*
10 *cordance with this Act by the State in which the appli-*
11 *cant proposes to carry out a program to provide child*
12 *care services.*

13 **(5) RULE OF CONSTRUCTION.**—*This subsection*
14 *shall not be construed—*

15 **(A)** *to limit the eligibility of any individual*
16 *to participate in any program carried out with as-*
17 *sistance received under this Act by a State; or*

18 **(B)** *to modify any requirement imposed on a*
19 *State by any provision of this Act.*

20 **(6) COORDINATION.**—*To the maximum extent*
21 *practicable, the applicant for a grant or contract under*
22 *this subsection and the State in which the applicant is*
23 *located shall coordinate with each other their respective*
24 *child care programs and activities, including child care*

1 *programs and activities carried out with assistance re-*
2 *ceived under this Act.*

3 *(d) DATA AND INFORMATION.—The Secretary shall*
4 *obtain from each appropriate Federal agency, the most recent*
5 *data and information necessary to determine the allotments*
6 *provided for in subsection (b).*

7 *(e) REALLOTMENTS.—*

8 *(1) IN GENERAL.—Any portion of the allotment*
9 *under subsection (b) to a State that the Secretary de-*
10 *termines is not required to carry out a State plan ap-*
11 *proved under section 7(d), in the period for which the*
12 *allotment is made available, shall be reallocated by the*
13 *Secretary to other States in proportion to the original*
14 *allotments to the other States.*

15 *(2) LIMITATIONS:—*

16 *(A) REDUCTION.—The amount of any real-*
17 *lotment to which a State is entitled to under para-*
18 *graph (1) shall be reduced to the extent that it ex-*
19 *ceeds the amount that the Secretary estimates will*
20 *be used in the State to carry out a State plan ap-*
21 *proved under section 7(d).*

22 *(B) REALLOTMENTS.—The amount of such*
23 *reduction shall be similarly reallocated among*
24 *States for which no reduction in an allotment or*
25 *reallocation is required by this subsection.*

1 (3) *AMOUNTS REALLOTTED.*—For purposes of
2 any other section of this Act, any amount reallocated to
3 a State under this subsection shall be deemed to be
4 part of the allotment made under subsection (b) to the
5 State.

6 (f) *DEFINITION.*—For the purposes of this section, the
7 term “State” means any of the several 50 States, the District
8 of Columbia, or the Commonwealth of Puerto Rico.

9 **SEC. 6. LEAD AGENCY.**

10 (a) *DESIGNATION.*—The chief executive officer of a
11 State desiring to participate in the program authorized by
12 this Act shall designate, in an application submitted to the
13 Secretary under section 7(a), an appropriate State agency
14 that meets the requirements of subsection (b) to act as the
15 lead agency.

16 (b) *REQUIREMENTS.*—

17 (1) *ADMINISTRATION OF FUNDS.*—The lead
18 agency shall have the capacity to administer the funds
19 provided under this Act to support programs and serv-
20 ices authorized under this Act and to oversee the plan
21 submitted under section 7(b).

22 (2) *COORDINATION.*—The lead agency shall have
23 the capacity to coordinate the services for which assist-
24 ance is provided under this Act with the services of

1 *other State and local agencies involved in providing*
2 *services to children.*

3 (3) *ESTABLISHMENT OF POLICIES.*—*The lead*
4 *agency shall have the authority to establish policies*
5 *and procedures for developing and implementing inter-*
6 *agency agreements with other agencies of the State to*
7 *carry out the purposes of this Act.*

8 (c) *DUTIES.*—*The lead agency shall—*

9 (1) *assess child care needs and resources in the*
10 *State, and assess the effectiveness of existing child care*
11 *services and services for which assistance is provided*
12 *under this Act or under other laws, in meeting such*
13 *needs;*

14 (2) *develop a plan designed to meet the need for*
15 *child care services in the State for eligible children, in-*
16 *cluding infants, preschool children, and school-age chil-*
17 *dren, giving special attention to meeting the needs for*
18 *services for low-income children, migrant children,*
19 *children with a handicapping condition, foster children,*
20 *children in need of protective services, children of ado-*
21 *lescent parents who need child care to remain in*
22 *school, and children with limited English-language*
23 *proficiency;*

24 (3) *develop, in consultation with the State adviso-*
25 *ry committee on child care established under section*

1 11, the State plan submitted to the Secretary under
2 section 7(b);

3 (4) hold hearings, in cooperation with such State
4 advisory committee, on child care, annually in each
5 region of the State in order to provide to the public an
6 opportunity to comment on the provision of child care
7 services in the State under the proposed State plan;

8 (5) make such periodic reports to the Secretary as
9 the Secretary may by rule require;

10 (6) coordinate the provision of services under this
11 Act with—

12 (A) other child care programs and services,
13 and with educational programs, for which assistance
14 is provided under any State, local, or other
15 Federal law, including the State Dependent Care
16 Development Grants Act (42 U.S.C. 9871 et
17 seq.); and

18 (B) other appropriate services, including
19 social, health, mental health, protective, and nutri-
20 tion services, available to eligible children under
21 other Federal, State, and local programs; and

22 (7) designate resource and referral programs for
23 particular geographical areas in the State that meet the
24 requirements of section 12(c).

1 **SEC. 7. APPLICATION AND PLAN.**

2 (a) **APPLICATION.**—*To be eligible to receive assistance*
 3 *under this Act, a State shall submit an application to the*
 4 *Secretary at such time, in such manner, and containing such*
 5 *information as the Secretary may require by rule.*

6 (b) **PLAN.**—*The application of a State submitted under*
 7 *subsection (a) shall include an assurance that the State will*
 8 *comply with the requirements of this Act and a State plan*
 9 *that is designed to be implemented during a 5-year period*
 10 *and that meets the requirements of subsection (c).*

11 (c) **REQUIREMENTS OF A PLAN.**—

12 (1) **LEAD AGENCY.**—*The plan shall identify the*
 13 *lead agency designated in accordance with section 6(a).*

14 (2) **ADVISORY BODIES.**—*The plan shall demon-*
 15 *strate that the State will establish in accordance with*
 16 *section 11 a State advisory committee on child care.*

17 (3) **POLICIES AND PROCEDURES.**—*The plan*
 18 *shall set forth policies and procedures designed to*
 19 *ensure all of the following:*

20 (A) That—

21 (i) all providers of child care services
 22 for which assistance is provided under this
 23 Act comply with all licensing and regulatory
 24 requirements (including registration require-
 25 ments) applicable under State and local law;
 26 and

1 (ii) such requirements are imposed and
2 enforced by the State uniformly on all child
3 care providers that provide child care services
4 under similar child care arrangements.

5 This subparagraph shall not be construed to pro-
6 hibit a State to impose more stringent standards
7 or requirements on child care providers who pro-
8 vide services for which assistance is provided
9 under this Act and who also receive State funds
10 under any other law to provide child care services
11 under a contract or other arrangement with the
12 State.

13 (B) That procedures will be established to
14 ensure that child care providers receiving assist-
15 ance under this Act or under other publicly-assist-
16 ed child care programs comply with the minimum
17 child care standards established under section
18 17(e)(2) after the expiration of the 5-year period
19 beginning on the date the Secretary establishes
20 such standards, and comply with all applicable
21 State and local licensing and regulatory require-
22 ments (including registration requirements).

23 (C) That the State will not—

1 (i) reduce the categories of child care
2 providers licensed or regulated by the State
3 on the date of enactment of this Act; or

4 (ii) reduce the level of standards appli-
5 cable to child care services provided in the
6 State and to the matters specified in sections
7 13(a) and 17(d), even if such standards
8 exceed the minimum standards established
9 under section 17(e)(2) by the Secretary
10 unless the State demonstrates, to the satisfac-
11 tion of both the Secretary and the State ad-
12 visory committee on child care established
13 under section 11, that the reduction is based
14 on positive developmental practice.

15 (D) That funds received under this Act by
16 the State will be used only to supplement, not to
17 supplant, the amount of Federal, State, and local
18 funds expended for the support of child care serv-
19 ices and related programs in the State, except that
20 States may use existing expenditures in support
21 of child care services to satisfy the State matching
22 requirement under section 16(b).

23 (E) That for each fiscal year the State will
24 use an amount not to exceed 10 percent of the
25 amount of funds received under section 5 by the

1 *State for such fiscal year to administer the State*
2 *plan.*

3 *(F) That the State will pay funds under this*
4 *Act to eligible child care providers in a timely*
5 *fashion to ensure the continuity of child care serv-*
6 *ices to eligible children.*

7 *(G) That resource and referral agencies will*
8 *be made available to families in all regions of the*
9 *State.*

10 *(H) That each eligible child care provider*
11 *who provides services for which assistance is pro-*
12 *vided under paragraph (4)—*

13 *(i) provides services to children of fami-*
14 *lies with very low income, taking into ac-*
15 *count family size;*

16 *(ii) after the expiration of the 5-year*
17 *period beginning on the date the Secretary*
18 *establishes minimum child care standards*
19 *under section 17(e)(2), complies with such*
20 *standards except as provided in clause (iv);*

21 *(iii) if such eligible child care provider*
22 *is regulated by a State educational agency*
23 *that—*

24 *(I) administers any State law ap-*
25 *plicable to child care services;*

1 (II) develops child care standards
2 that meet or exceed the minimum stand-
3 ards established under section 17(e)(2)
4 and the State licensing or regulatory re-
5 quirements (including registration re-
6 quirements); and

7 (III) enforces the standards de-
8 scribed in subclause (II) that are devel-
9 oped by such agency, using policies and
10 practices that meet or exceed the re-
11 quirements specified in subparagraphs
12 (A) through (K) of paragraph (11);

13 complies with the standards described in sub-
14 clause (II) that are developed by such
15 agency; and

16 (iv) complies with the State plan and
17 the requirements of this Act.

18 (I) That child care services for which assist-
19 ance is provided under paragraph (4) are avail-
20 able to children with a handicapping condition.

21 (J) That State regulations will be issued
22 governing the provision of school-age child care
23 services if the State does not already have such
24 regulations.

1 (K) That child care providers in the State
2 are encouraged to develop personnel policies that
3 include compensated time for staff undergoing
4 training required under this Act.

5 (L) Encourage the payment of adequate sal-
6 aries and other compensation—

7 (i) to full and part-time staff of child
8 care providers who provide child care services
9 for which assistance is provided under para-
10 graph (4);

11 (ii) to the extent practicable, to such
12 staff in other major Federal and State child
13 care programs; and

14 (iii) to other child care personnel, at the
15 option of the State.

16 (M) That child care services for which assist-
17 ance is provided under paragraph (4) are avail-
18 able for an adequate number of hours and days to
19 serve the needs of parents of eligible children, in-
20 cluding parents who work nontraditional hours.

21 (4) CHILD CARE SERVICES.—The plan shall
22 provide that—

23 (A) subject to subparagraph (B), the State
24 will use at least 75 percent of the amount allotted
25 to the State in any fiscal year to provide child

1 care services that meet the requirements of this
 2 Act to eligible children in the State on a sliding
 3 fee scale basis and using funding methods provid-
 4 ed for in section 8(a)(1), with priority being given
 5 for services to children of families with very low
 6 family incomes, taking into consideration the size
 7 of the family; and

8 (B) the State will use at least 10 percent of
 9 the funds reserved for the purposes specified in
 10 subparagraph (A) in any fiscal year to provide for
 11 the extension of part-day programs as described in
 12 section 8(b).

13 (5) CHILD CARE ACTIVITIES.—The plan shall
 14 provide that the State will use not more than 15 per-
 15 cent of the amount allotted to it in any fiscal year to
 16 do all of the following, together with an assurance that
 17 the State will give priority to the activities described in
 18 subparagraph (B):

19 (A) Develop and provide financial assistance
 20 for State and local resource and referral programs
 21 under section 12.

22 (B) Improve the quality of child care serv-
 23 ices in the State by—

24 (i) improving the monitoring of compli-
 25 ance with, and enforcement of, the licensing

1 and regulatory requirements (including reg-
2 istration requirements) of the State; and

3 (ii) providing training, technical assist-
4 ance, and scholarship assistance in accord-
5 ance with the requirements of subsections
6 (b), (c), and (d) of section 13.

7 (C) Ensure that adequate salaries and other
8 compensation are paid to full- and part-time staff
9 who provide child care services for which assist-
10 ance is provided under paragraph (A).

11 (D) Make grants and low interest loans to
12 family child care providers and nonprofit child
13 care providers to help such providers pay the cost
14 of—

15 (i) establishing child care programs;
16 and

17 (ii) making renovations and improve-
18 ments in existing facilities to be used to
19 carry out such programs.

20 (E) Make grants and low-interest loans to
21 child care providers to assist such providers in
22 meeting Federal, State, and local child care
23 standards, giving priority to providers receiving
24 assistance under this Act or under other publicly

1 *assisted child care programs that serve children of*
2 *families that have very low incomes.*

3 (6) *DISTRIBUTION OF FUNDS.—The plan shall*
4 *provide that funds will be distributed—*

5 (A) *to a variety of types of child care provid-*
6 *ers in each community, including center-based*
7 *child care providers, group home child care pro-*
8 *viders, and family child care providers; and*

9 (B) *equitably among child care providers to*
10 *provide child care services in rural and urban*
11 *areas.*

12 (7) *REIMBURSEMENTS.—The plan shall provide*
13 *that for child care services for which assistance is pro-*
14 *vided under this Act, reimbursement shall be made at*
15 *not less than the fair market rate for such services in*
16 *the geographical area in the State in which such serv-*
17 *ices are being provided and that such reimbursement*
18 *will reflect the additional cost to a provider of special*
19 *services or a provider serving special populations of*
20 *children, with a higher rate of reimbursement being*
21 *provided for—*

22 (A) *care of children from birth to 2 years of*
23 *age;*

1 (B) programs providing comprehensive child
2 care services and family support services to ado-
3 lescent parents; and

4 (C) the care of eligible children who have a
5 handicapping condition.

6 (8) PRIORITY.—The plan shall provide that pri-
7 ority will be given, in distributing funds in the State,
8 to child care providers that—

9 (A) in providing child care services assisted
10 by such funds, will give priority to eligible chil-
11 dren of families with very low income;

12 (B) to the maximum extent feasible, provide
13 child care services to a reasonable mix of children,
14 including children from different socioeconomic
15 backgrounds and children with a handicapping
16 condition;

17 (C) provide opportunities for parent involve-
18 ment in all aspects of providing such services; and

19 (D) to the maximum extent feasible, offer
20 family support services.

21 (9) SLIDING FEE SCALE.—The plan shall pro-
22 vide for the establishment of a sliding fee scale that re-
23 quires cost sharing based on the services provided to
24 and the income of the families (adjusted for family

1 size) of eligible children who receive services for which
2 assistance is provided under this Act.

3 (10) PARENTAL INVOLVEMENT.—The plan shall
4 establish procedures for parental involvement in State
5 and local planning, monitoring, and evaluation of child
6 care programs and services in the State.

7 (11) ENFORCEMENT OF LICENSING AND OTHER
8 REGULATORY REQUIREMENTS (INCLUDING REGIS-
9 TRATION REQUIREMENTS).—The plan shall provide
10 that the State, not later than 5 years after the date of
11 enactment of this Act, shall have in effect enforcement
12 policies and practices that will be applicable to all li-
13 censed or regulated child care providers (including
14 child care providers required to register) in the State,
15 including policies and practices that—

16 (A) require personnel who perform inspection
17 functions with respect to licensed or regulated
18 child care services to receive training in child de-
19 velopment, health and safety, child abuse preven-
20 tion and detection, program management, and rel-
21 evant law enforcement;

22 (B) make available the training required by
23 subparagraph (A);

24 (C) impose personnel requirements to ensure
25 that individuals who are hired as licensing in-

1 *spectors are qualified to inspect and have inspec-*
2 *tion responsibility exclusively for children's serv-*
3 *ices;*

4 (D) require—

5 (i) *personnel who perform inspection*
6 *functions with respect to licensed or regulat-*
7 *ed child care services to make not less than 1*
8 *unannounced inspection of each center-based*
9 *child care provider and each group home*
10 *child care provider in the State annually;*

11 (ii) *personnel who perform inspection*
12 *functions with respect to licensed or regulat-*
13 *ed child care services to make unannounced*
14 *inspections annually of not less than 20 per-*
15 *cent of licensed and regulated family child*
16 *care providers in the State; and*

17 (iii) *inspections to be conducted during*
18 *the normal hours of operation of family child*
19 *care homes in the State;*

20 (E) *require the ratio of licensing staff to*
21 *child care providers in the State to be maintained*
22 *at a level sufficient to enable the State to conduct*
23 *inspections of child care facilities and providers*
24 *on a timely basis and otherwise to comply with*
25 *the enforcement requirements of this section;*

1 (F) require licensed or regulated child care
2 providers (including registered child care provid-
3 ers) in the State—

4 (i) to have written policies and program
5 goals and to make a copy of such policies
6 and goals available to parents; and

7 (ii) to provide parents with unlimited
8 access to their children and to providers
9 caring for their children, during normal
10 hours of operation of such providers and
11 whenever children of such parents are in the
12 care of such providers;

13 (G) implement a procedure to address com-
14 plaints that will provide a reasonable opportunity
15 for a parent, or child care provider, that is ad-
16 versely affected or aggrieved by a decision of the
17 lead agency or any program assisted under this
18 Act, to be heard by the State;

19 (H) prohibit the operator of a child care fa-
20 cility to take any action against an employee of
21 such operator that would adversely affect the em-
22 ployment, or terms or conditions of employment,
23 of such employee because such employee commu-
24 nicates a failure of such operator to comply with

1 any applicable licensing or regulatory require-
2 ment;

3 (I) implement a consumer education program
4 designed to inform parents and the general public
5 about licensing requirements, complaint proce-
6 dures, and policies and practices required by this
7 paragraph;

8 (J) require a child care provider to post, on
9 the premises where child care services are provid-
10 ed, the telephone number of the appropriate licens-
11 ing or regulatory agency that parents may call re-
12 garding a failure of such provider to comply with
13 any applicable licensing or regulatory require-
14 ment; and

15 (K) require the State to maintain a record of
16 parental complaints and to make information re-
17 garding substantiated parental complaints avail-
18 able to the public on request.

19 (12) DATA COLLECTION.—The plan shall provide
20 for the establishment of procedures for data collection
21 by the State designed to show—

22 (A) by race, sex, ethnic origin, handicapping
23 condition, and family income, how the child care
24 needs of families in the State are being fulfilled,
25 including information on—

1 (i) *the number of children being assisted*
2 *with funds provided under this Act, and*
3 *under other State and Federal child care*
4 *and preschool programs;*

5 (ii) *the type and number of child care*
6 *programs, child care providers, caregivers,*
7 *and support personnel located in the State;*

8 (iii) *the regional cost of child care; and*

9 (iv) *such other information as the Sec-*
10 *retary considers necessary to establish how*
11 *funds provided under this Act are being*
12 *used;*

13 (B) *the extent to which the availability of*
14 *child care has been increased; and*

15 (C) *how the purposes of this Act and the ob-*
16 *jectives of the State set forth in the State plan are*
17 *being met, including efforts to improve the qual-*
18 *ity, availability, and accessibility of child care;*

19 *and shall provide that data collected by the State under*
20 *this paragraph shall be submitted to the Secretary.*

21 (d) *APPROVAL OF APPLICATION.*—*The Secretary shall*
22 *approve an application that satisfies the requirements of this*
23 *section.*

24 (e) *SPECIAL RULE.*—*In carrying out the provisions of*
25 *this section, the Secretary shall approve any application with*

1 (i) the number of children being assisted
2 with funds provided under this Act, and
3 under other State and Federal child care
4 and preschool programs;

5 (ii) the type and number of child care
6 programs, child care providers, caregivers,
7 and support personnel located in the State;

8 (iii) the regional cost of child care; and

9 (iv) such other information as the Sec-
10 retary considers necessary to establish how
11 funds provided under this Act are being
12 used;

13 (B) the extent to which the availability of
14 child care has been increased; and

15 (C) how the purposes of this Act and the ob-
16 jectives of the State set forth in the State plan are
17 being met, including efforts to improve the qual-
18 ity, availability, and accessibility of child care;

19 and shall provide that data collected by the State under
20 this paragraph shall be submitted to the Secretary.

21 (d) APPROVAL OF APPLICATION.—The Secretary shall
22 approve an application that satisfies the requirements of this
23 section.

24 (e) SPECIAL RULE.—In carrying out the provisions of
25 this section, the Secretary shall approve any application with

1 *respect to the activities described in the plan under paragraph*
 2 *(5) of subsection (c); if the Secretary determines that the*
 3 *State is making reasonable progress in carrying out the ac-*
 4 *tivities which are described in subparagraphs (A), (C), (D),*
 5 *and (E) of paragraph (5).*

6 **SEC. 8. SPECIAL RULES FOR USE OF STATE ALLOTMENTS.**

7 **(a) FUNDING OF CHILD CARE SERVICES.—**

8 **(1) IN GENERAL.—***The child care services re-*
 9 *ferred to in section 7(c)(4) that are to be provided out*
 10 *of the allotment to a State, shall be provided—*

11 **(A)** *by contracts with or grants to eligible*
 12 *child care providers who agree to provide such*
 13 *services directly to eligible children;*

14 **(B)** *by grants to units of general purpose*
 15 *local government that agree to enter into contracts*
 16 *with eligible child care providers who agree to pro-*
 17 *vide such services directly to eligible children; or*

18 **(C)** *by distributing child care certificates to*
 19 *parents of eligible children under such terms as*
 20 *the Secretary may prescribe to enable the recipi-*
 21 *ents of such certificates to purchase child care*
 22 *services from eligible child care providers.*

23 **(2) LIMITATION ON CERTIFICATES.—***Child care*
 24 *certificates authorized by paragraph (1)(C) may be*
 25 *issued by a State only if a resource and referral pro-*

1 gram carried out by an organization recognized under
 2 section 12(a) by the State is available to help parents
 3 locate child care services made available by eligible
 4 child care providers.

5 (b) **PART-DAY PROGRAMS.**—

6 (1) **IN GENERAL.**—At least 10 percent of the
 7 funds available for activities under section 7(c)(4)(A)
 8 shall be used by the State to enable child care provid-
 9 ers to extend the hours of operation of the part-day pro-
 10 grams described in paragraph (2) to provide full-work-
 11 ing-day child care services throughout the year, in
 12 order to meet the needs of parents of eligible children.

13 (2) **ELIGIBLE PROGRAMS.**—The part-day pro-
 14 grams referred to in paragraph (1) means—

15 (A) programs of schools and nonprofit child
 16 care providers (including community-based orga-
 17 nizations) receiving State or local funds designat-
 18 ed for preschool;

19 (B) programs established under the Head
 20 Start Act (42 U.S.C. 9831 et seq.);

21 (C) preschool programs for which assistance
 22 is provided under chapter 1 of the Education
 23 Consolidation and Improvement Act of 1981 (20
 24 U.S.C. 3801 et seq.); and

1 (D) preschool programs for children with a

2 handicapping condition.

3 (c) FACILITIES.—

4 (1) NEW FACILITIES.—No financial assistance
5 provided under this Act shall be expended for the con-
6 struction of a new facility.

7 (2) EXISTING FACILITIES.—No financial assist-
8 ance provided under this Act shall be expended to ren-
9 ovate or repair any facility unless—

10 (A) the child care provider that receives such
11 financial assistance agrees—

12 (i) in the case of a grant, to repay to
13 the Secretary or the State, as the case may
14 be, the amount that bears the same ratio to
15 the amount of such grant as the value of the
16 renovation or repair, as of the date such pro-
17 vider ceases to provide child care services in
18 such facility in accordance with this Act,
19 bears to the original value of the renovation
20 or repair; and

21 (ii) in the case of a loan, to repay im-
22 mediately to the Secretary or the State, as
23 the case may be, the principal amount of
24 such loan outstanding and any interest ac-
25 crued, as of the date such provider ceases to

1 *provide child care services in such facility in*
2 *accordance with this Act;*
3 *if such provider does not provide child care ser-*
4 *ices in such facility in accordance with this Act*
5 *throughout the useful life of the renovation or*
6 *repair; and*

7 *(B) if such provider is a sectarian agency or*
8 *organization, the renovation or repair is necessary*
9 *to bring such facility into compliance with health*
10 *and safety requirements imposed by this Act.*

11 **SEC. 9. PLANNING GRANTS.**

12 *(a) IN GENERAL.—A State desiring to participate in*
13 *the programs authorized by this Act that cannot fully satisfy*
14 *the requirements of the State plan under section 7(b) without*
15 *financial assistance may, in the first year that the State par-*
16 *ticipates in the programs, apply to the Secretary for a plan-*
17 *ning grant.*

18 *(b) AUTHORIZATION.—The Secretary is authorized to*
19 *make a planning grant to a State described in subsection (a)*
20 *if the Secretary determines that—*

21 *(1) the grant would enable the State to fully satis-*
22 *fy the requirements of a State plan under section 7(b);*
23 *and*

1 (2) the State will apply, for the remainder of the
2 allotment that the State is entitled to receive for such
3 fiscal year.

4 (c) AMOUNT OF GRANT.—A grant made to a State
5 under this section shall not exceed 1 percent of the total allot-
6 ment that the State would qualify to receive in the fiscal year
7 involved if the State fully satisfied the requirements of sec-
8 tion 7.

9 (d) LIMITATION ON ADMINISTRATIVE COSTS.—A
10 grant made under this section shall be considered to be ex-
11 pended for administrative costs by the State for purposes of
12 determining the compliance by the State with the limitation
13 on administrative costs imposed by section 7(c)(3)(E).

14 **SEC. 10. CONTINUING ELIGIBILITY OF STATES.**

15 A State shall be ineligible for assistance under this Act
16 after the expiration of the 5-year period beginning on the date
17 the Secretary establishes minimum child care standards
18 under section 17(e)(2) unless the State demonstrates to the
19 satisfaction of the Secretary that—

20 (1) all child care providers required to be licensed
21 and regulated in the State—

22 (A) are so licensed and regulated; and

23 (B) are subject to the enforcement provisions
24 referred to in the State plan; and

1 (2) all such providers who are receiving assistance
2 under this Act or under other publicly-assisted child
3 care programs—

4 (A) satisfy the requirements of subpara-
5 graphs (A) and (B) of paragraph (1); and

6 (B) satisfy the minimum child care stand-
7 ards established by the Secretary under section
8 17(e)(2) of this Act.

9 **SEC. 11. STATE ADVISORY COMMITTEE ON CHILD CARE.**

10 (a) **ESTABLISHMENT.**—The chief executive officer of a
11 State participating in the program authorized by this Act
12 shall—

13 (1) establish a State advisory committee on child
14 care (hereinafter in this section referred to as the
15 “committee”) to assist the lead agency in carrying out
16 the responsibilities of the lead agency under this Act;
17 and

18 (2) appoint the members of the committee.

19 (b) **COMPOSITION.**—The State committee shall be com-
20 posed of not fewer than 21 and not more than 30 members
21 who shall include—

22 (1) at least 1 representative of the lead agency
23 designated under section 6(a);

24 (2) 1 representative of each of—

25 (A) the State departments of—

1 (i) human resources or social services;

2 (ii) education;

3 (iii) economic development; and

4 (iv) health; and

5 (B) other State agencies having responsibil-
6 ity for the regulation, funding, or provision of
7 child care services in the State;

8 (3) at least 1 representative of providers of differ-
9 ent types of child care services, including caregivers
10 and directors;

11 (4) at least 1 representative of early childhood de-
12 velopment experts;

13 (5) at least 1 representative of school districts and
14 teachers involved in the provision of child care services
15 and preschool programs;

16 (6) at least 1 representative of resource and refer-
17 ral programs;

18 (7) 1 pediatrician;

19 (8) 1 representative of a citizen group concerned
20 with child care;

21 (9) at least 1 representative of an organization
22 representing child care employees;

23 (10) at least 1 representative of the Head Start
24 agencies in the State;

1 (11) parents of children receiving, or in need of,
 2 child care services, including at least 2 parents whose
 3 children are receiving or are in need of subsidized
 4 child care services;

5 (12) 1 representative of specialists concerned with
 6 children who have a handicapping condition;

7 (13) 1 representative of individuals engaged in
 8 business;

9 (14) 1 representative of fire marshals and build-
 10 ing inspectors;

11 (15) 1 representative of child protective services;
 12 and

13 (16) 1 representative of units of general purpose
 14 local government.

15 (c) FUNCTIONS.—The committee shall—

16 (1) advise the lead agency on child care policies;

17 (2) provide the lead agency with information nec-
 18 essary to coordinate the provision of child care services
 19 in the State;

20 (3) otherwise assist the lead agency in carrying
 21 out the functions assigned to the lead agency under
 22 section 6(c);

23 (4) review and evaluate child services for which
 24 assistance is provided under this Act or under State

1 law, in meeting the objectives of the State plan and the
2 purposes of this Act;

3 (5) make recommendations on the development of
4 State child care standards and policies;

5 (6) participate in the regional public hearings re-
6 quired under section 6(c)(5); and

7 (7) perform other functions to improve the quanti-
8 ty and quality of child care services in the State.

9 (d) MEETINGS AND HEARINGS.—

10 (1) IN GENERAL.—Not later than 30 days after
11 the beginning of each fiscal year, the committee shall
12 meet and establish the time, place, and manner of
13 future meetings of the committee.

14 (2) MINIMUM NUMBER OF HEARINGS.—The
15 committee shall have at least 2 public hearings each
16 year at which the public shall be given an opportunity
17 to express views concerning the administration and op-
18 eration of the State plan.

19 (e) USE OF EXISTING COMMITTEES.—To the extent
20 that a State has established a broadly representative State
21 advisory group, prior to the date of enactment of this Act, that
22 is comparable to the advisory committee described in this sec-
23 tion and focused exclusively on child care and early child-
24 hood development programs, such State shall be considered to
25 be in compliance with subsections (a) through (c).

1 (f) *SUBCOMMITTEE ON LICENSING.*—

2 (1) *COMPOSITION.*—The committee shall have a
 3 subcommittee on licensing (hereinafter in this section
 4 referred to as the "subcommittee") that shall be com-
 5 posed of the members appointed under paragraphs
 6 (2)(A)(iv), (3), (6), (7), (11), (14), and (15) of subsec-
 7 tion (b).

8 (2) *FUNCTIONS.*—

9 (A) *REVIEW OF LICENSING AUTHORITY.*—

10 The subcommittee shall review the law applicable
 11 to, and the licensing requirements and the policies
 12 of, each licensing agency that regulates child care
 13 services and programs in the State unless the
 14 State has reviewed such law, requirements, and
 15 policies in the 4-year period ending on the date of
 16 the establishment of the committee under subsec-
 17 tion (a).

18 (B) *REPORT.*—Not later than 1 year after
 19 establishment of the committee under subsection
 20 (a), the subcommittee shall prepare and submit to
 21 the chief executive officer of the State involved a
 22 report.

23 (C) *CONTENTS OF REPORT.*—A report pre-
 24 pared under subparagraph (B) shall contain—

1 (i) an analysis of information on child
2 care services provided by center-based child
3 care providers, group home child care provid-
4 ers, and family child care providers;

5 (ii) a detailed statement of the findings
6 and recommendations that result from the
7 subcommittee review under subparagraph
8 (A), including a description of the current
9 status of child care licensing, regulating,
10 monitoring, and enforcement in the State;

11 (iii) a detailed statement identifying
12 and describing the deficiencies in the exist-
13 ing licensing, regulating, and monitoring
14 programs of the State involved, including an
15 assessment of the adequacy of staff to carry
16 out such programs effectively, and recom-
17 mendations to correct such deficiencies or to
18 improve such programs; and

19 (iv) comments on the minimum child
20 care standards established by the Secretary
21 under section 17(e)(2).

22 (3) RECEIPT OF REPORT BY THE CHIEF EXEC-
23 UTIVE OFFICER OF THE STATE.—Not later than 60
24 days after receiving the report from the subcommittee,

1 *the chief executive officer of the State shall transmit*
2 *such report to the Secretary with—*

3 *(A) the comments of the chief executive offi-*
4 *cer of the State; and*

5 *(B) a plan for correcting deficiencies in, or*
6 *improving the licensing, regulating, and monitor-*
7 *ing, of the child care services and programs re-*
8 *ferred to in paragraph (2)(A).*

9 **(4) TERMINATION OF ASSISTANCE.**—*None of the*
10 *funds received under this Act may be used to carry out*
11 *any activity under this section occurring more than 90*
12 *days after the State submits a report required by sub-*
13 *section (d).*

14 **(g) SERVICES AND PERSONNEL.**—

15 **(1) AUTHORITY.**—*The lead agency is authorized*
16 *to provide the services of such personnel, and to con-*
17 *tract for such other services as may be necessary, to*
18 *enable the committee and the subcommittee to carry out*
19 *their functions under this Act.*

20 **(2) REIMBURSEMENT.**—*Members of the commit-*
21 *tee shall be reimbursed, in accordance with standards*
22 *established by the Secretary, for necessary expenses in-*
23 *curring by such members in carrying out the functions*
24 *of the committee and the subcommittee.*

1 (3) *SUFFICIENCY OF FUNDS.*—The Secretary
 2 shall ensure that sufficient funds are made available,
 3 from funds available for the administration of the
 4 State plan, to the committee and the subcommittee to
 5 carry out the requirements of this section.

6 **SEC. 12. RESOURCE AND REFERRAL PROGRAMS.**

7 (a) *RECOGNITION.*—Each State receiving funds under
 8 this Act shall designate private nonprofit community-based
 9 organizations, or public organizations (including units of
 10 general purpose local government), as resource and referral
 11 agencies for particular geographical areas in the State.

12 (b) *FUNDING.*—Each State receiving funds under this
 13 Act shall provide assistance to the organizations designated
 14 under subsection (a) to enable such organizations to carry out
 15 resource and referral programs—

16 (1) to identify existing child care services;

17 (2) to provide to interested parents information
 18 and referral regarding such services;

19 (3) to provide or arrange for the provision of in-
 20 formation, training, and technical assistance to exist-
 21 ing and potential child care providers and to others
 22 (including businesses) concerned with the availability
 23 of child care services; and

24 (4) to provide information on the demand for and
 25 supply of child care services located in a community.

1 (c) *REQUIREMENTS.*—*To be eligible for designation as*
2 *a resource and referral agency for a particular geographical*
3 *area in a State, an organization shall—*

4 (1) *have or acquire a database of information on*
5 *child care services in the particular geographical area*
6 *that the organization continually updates, including*
7 *child care services provided in centers, group home*
8 *child care settings, nursery schools, and family child*
9 *care settings;*

10 (2) *have among the staff of the organization at*
11 *least 1 individual who has expertise in child develop-*
12 *ment;*

13 (3) *have the capability to provide resource and re-*
14 *ferral services in the particular geographical area;*

15 (4) *be able to respond in a timely fashion to re-*
16 *quests for information or assistance;*

17 (5) *be a public, or a private nonprofit community-*
18 *based organization, located in the particular geographi-*
19 *cal area to be served;*

20 (6) *be able to provide parents with a checklist to*
21 *identify quality child care services;*

22 (7) *agree to notify all eligible child care providers*
23 *in such area of the functions it performs and solicit*
24 *such providers to request to be listed to receive referrals*
25 *made by such organization; and*

1 (8) otherwise comply with regulations promulgat-
2 ed by the State in accordance with subsection (f).

3 (d) FUNCTIONS.—

4 (1) INFORMATION.—Each organization designat-
5 ed under subsection (a) as a resource and referral
6 agency shall gather, update, and provide information
7 concerning—

8 (A) all types of eligible child care providers;

9 (B) the types of child care services available
10 from eligible child care providers, including serv-
11 ices provided by individual family child care pro-
12 viders and by child care providers who provide
13 child care services to children with a handicap-
14 ping condition;

15 (C) the costs of available child care services;

16 (D) the availability of subsidies to obtain
17 child care services;

18 (E) the locations in which child care services
19 are provided;

20 (F) the forms of transportation to such loca-
21 tions available to parents; and

22 (G) the hours during which such child care
23 services are available.

24 (2) SUPPORT SERVICE.—Each organization des-
25 igned under subsection (a) as a resource and referral

1 agency shall inform child care providers of training
 2 and technical assistance available in the areas in
 3 which such providers operate, or shall provide directly
 4 or through contract such training and technical assist-
 5 ance to such providers.

6 (e) **LIMITATION ON INFORMATION.**—In carrying out
 7 subsection (d), an organization designated under subsection
 8 (a) as a resource and referral agency shall not provide infor-
 9 mation concerning any child care program or services which
 10 are not in compliance with the laws of the State and local-
 11 ities in which such services are provided.

12 **SEC. 13. TRAINING AND TECHNICAL ASSISTANCE.**

13 (a) **MINIMUM REQUIREMENT.**—A State receiving
 14 funds under this Act shall require, not later than 2 years
 15 after the date of the enactment of this Act, that all employed
 16 or self-employed individuals who provide licensed or regulat-
 17 ed child care services (including registered child care serv-
 18 ices) in a State complete annually at least 15 hours of train-
 19 ing in the areas described in subsection (b)(2).

20 (b) **GRANTS AND CONTRACTS FOR TRAINING AND**
 21 **TECHNICAL ASSISTANCE.**—

22 (1) **GRANTS AND CONTRACTS.**—The State shall
 23 make grants to, and enter into contracts with—

24 (A) State agencies, units of general purpose
 25 local government, private nonprofit organizations,

1 and institutions of higher education to develop
2 and carry out child care training and technical
3 assistance programs under which preservice and
4 continuing inservice training is provided to staff
5 of eligible child care providers, teachers, adminis-
6 trative personnel, and staff of resource and refer-
7 ral programs involved in providing child care
8 services in the State; and

9 (B) nonprofit organizations, including re-
10 source and referral organizations, child care food
11 program sponsors; and family child care associa-
12 tions, to enable such organizations to develop and
13 carry out child care training and technical assist-
14 ance programs under which preservice and inserv-
15 ice training is provided to eligible child care pro-
16 viders that are family child care providers.

17 (2) SCOPE OF TRAINING.—Such training shall
18 address—

19 (A) the provision of services as appropriate
20 to special populations of children, including chil-
21 dren with a handicapping condition, abused and
22 neglected children, migrant children, and children
23 with limited English language proficiency; and

24 (B) health and safety, including training in
25 nutrition, first aid, the recognition of communica-

1 ble diseases, and child abuse detection and pre-
2 vention;

3 (C) child growth and development;

4 (D) guidance and discipline techniques;

5 (E) planning learning activities;

6 (F) linkages with community services;

7 (G) communication with families; and

8 (H) management practices and procedures,
9 including risk management.

10 (3) ELIGIBILITY REQUIREMENTS FOR GRANTS

11 AND CONTRACTS RELATING TO TRAINING FOR
12 FAMILY CHILD CARE PROVIDERS.—To be eligible to
13 receive a grant or enter into a contract under para-
14 graph (1)(B), a nonprofit organization shall—

15 (A) recruit and train family child care pro-
16 viders, including providers with the capacity to
17 provide night-time child care services and emer-
18 gency child care services at irregular hours (as
19 well as emergency care for sick children);

20 (B) provide ongoing training to individuals
21 who are family child care providers, including
22 specialized training in working with infants;

23 (C) operate resource centers to make develop-
24 mentally appropriate curriculum materials avail-
25 able to family child care providers;

1 (D) provide grants to family child care pro-
2 viders for the purchase of moderate cost equipment
3 to be used to provide child care services;

4 (E) operate a system of substitute caregivers;
5 and

6 (F) provide such other services to family
7 child care providers in the communities of such
8 organization as the lead agency determines to be
9 appropriate.

10 (4) ELIGIBILITY REQUIREMENTS FOR GRANTS
11 AND CONTRACTS RELATING TO TECHNICAL ASSIST-
12 ANCE.—To be eligible to receive a grant, or enter into
13 a contract under subsection (b) to provide technical as-
14 sistance, an agency, organization, or institutions shall
15 agree to furnish technical assistance to child care pro-
16 viders to assist such providers—

17 (A) in understanding and complying with
18 local regulations and relevant tax and other poli-
19 cies;

20 (B) in meeting State licensing, regulatory,
21 and other requirements (including registration)
22 pertaining to family child care providers.

23 (c) SCHOLARSHIP ASSISTANCE.—The State shall pro-
24 vide scholarship assistance to—

1 (1) individuals who seek a nationally recognized
 2 child development associate credential for center-based
 3 or family child care and whose income does not exceed
 4 the poverty line (as defined in section 673(2) of the
 5 Community Services Block Grant Act (42 U.S.C.
 6 9902(2)) by more than 50 percent, in amounts suffi-
 7 cient to cover the costs involved in securing such cre-
 8 dential; and

9 (2) caregivers who seek to obtain the training re-
 10 ferred to in subsection (a) and whose income does not
 11 exceed such poverty line.

12 (d) **CLEARINGHOUSE.**—The State shall establish in
 13 the lead agency a clearinghouse to collect and disseminate
 14 training materials to resource and referral agencies and child
 15 care providers throughout the State.

16 **SEC. 14. FEDERAL ADMINISTRATION OF CHILD CARE.**

17 (a) **ADMINISTRATOR OF CHILD CARE.**—There is
 18 hereby established in the Department of Health and Human
 19 Services the position of Administrator of Child Care (herein-
 20 after in this section referred to as the "Administrator"). The
 21 Secretary shall appoint an individual to serve as the Admin-
 22 istrator at the pleasure of the Secretary.

23 (b) **DUTIES.**—The Administrator shall—

24 (1) coordinate all activities of the Department by
 25 Health and Human Services relating to child care, and

1 coordinate such activities with similar activities of
2 other Federal entities;

3 (2) annually collect and publish State child care
4 standards, including periodic modifications to such
5 standards;

6 (3) evaluate activities carried out with funds pro-
7 vided under this Act;

8 (4) act as a clearinghouse to collect and dissemi-
9 nate materials that relate to—

10 (A) the matters required by section 13(b)(1)
11 to be addressed by training required by section 13
12 to be provided; and

13 (B) studies that relate to the salaries paid to
14 individuals employed to provide child care serv-
15 ices; and

16 (5) provide technical assistance to assist States to
17 carry out this Act

18 **SEC. 15. FEDERAL ENFORCEMENT.**

19 (a) **REVIEW OF COMPLIANCE WITH STATE PLAN.—**

20 The Secretary shall review and monitor State compliance
21 with this Act and the plan approved under section 7(d) for
22 the State.

23 (b) **NONCOMPLIANCE.—**

1 (1) *IN GENERAL.*—If the Secretary, after reason-
2 able notice and opportunity for a hearing to a State,
3 finds that—

4 (A) there has been a failure by the State to
5 comply substantially with any provision or any
6 requirements set forth in the plan approved under
7 section 7(d) for the State; or

8 (B) in the operation of any program or
9 project for which assistance is provided under this
10 Act there is a failure by the State to comply sub-
11 stantially with any provision of this Act;

12 the Secretary shall notify the State of the finding and
13 that no further payments may be made to such State
14 under this Act (or, in the case of noncompliance in the
15 operation of program or activity, that no further pay-
16 ments to the State will be made with respect to such
17 program or activity) until the Secretary is satisfied
18 that there is no longer any such failure to comply or
19 that the noncompliance will be promptly corrected.

20 (2) *ADDITIONAL SANCTIONS.*—In the case of a
21 finding of noncompliance made pursuant to this para-
22 graph (1), the Secretary may, in addition to imposing
23 the sanctions described in such paragraph, impose
24 other appropriate sanctions, including recoupment of
25 money improperly expended for purposes prohibited or

1 not authorized by this Act, and disqualification from
 2 the receipt of financial assistance under this Act.

3 (3) NOTICE.—The notice required under para-
 4 graph (1) shall include a specific identification of any
 5 additional sanction being imposed under paragraph
 6 (2).

7 (c) ISSUANCE OF RULES.—The Secretary shall estab-
 8 lish by rule procedures for—

9 (1) receiving, processing, and determining the va-
 10 lidity of complaints concerning any failure of a State
 11 to comply with the State plan or any requirement of
 12 this Act; and

13 (2) imposing sanctions under this section.

14 SEC. 16. PAYMENTS.

15 (a) IN GENERAL.—

16 (1) AMOUNT OF PAYMENT.—Each State that—

17 (A) has an application approved by the Sec-
 18 retary under section 7(d); and

19 (B) demonstrates to the satisfaction of the
 20 Secretary that it will provide from non-Federal
 21 sources the State share of the aggregate amount to
 22 be expended by the State under the State plan for
 23 the fiscal year for which it requests a grant;

24 shall receive a payment under this section for such
 25 fiscal year in an amount (not to exceed its allotment

1 under section 5 for such fiscal year) equal to the Fed-
2 eral share of the aggregate amount to be expended by
3 the State under the State plan for such fiscal year.

4 (2) FEDERAL SHARE.—

5 (A) IN GENERAL.—Except as provided in
6 subparagraph (B), the Federal share for each
7 fiscal year shall be 80 percent.

8 (B) EXCEPTION.—If a State makes the
9 demonstration specified in section 10 throughout a
10 fiscal year for which it requests a grant, then the
11 Federal share shall be 85 percent.

12 (3) STATE SHARE.—The State share equals 100
13 percent minus the Federal share.

14 (4) LIMITATION.—A State may not require any
15 private provider of child care services that receives or
16 seeks funds made available under this Act to contribute
17 in cash or in kind to the State contribution required
18 by this subsection.

19 (b) METHOD OF PAYMENT.—

20 (1) IN GENERAL.—Subject to paragraph (2), the
21 Secretary may make payments to a State in install-
22 ments, and in advance or by way of reimbursement,
23 with necessary adjustments on account of overpayments
24 or underpayments, as the Secretary may determine.

1 (2) *LIMITATION.*—The Secretary may not make
 2 such payments in a manner that prevents the State
 3 from complying with the requirement specified in sec-
 4 tion 7(c)(3)(F).

5 (c) *SPENDING OF FUNDS BY STATE.*—Payments to a
 6 State from the allotment under section 5 for any fiscal year
 7 may be expended by the State in that fiscal year or in the
 8 succeeding fiscal year.

9 **SEC. 17. NATIONAL ADVISORY COMMITTEE ON CHILD CARE**
 10 **STANDARDS.**

11 (a) *ESTABLISHMENT.*—

12 (1) *IN GENERAL.*—In order to improve the qual-
 13 ity of child care services, the Secretary shall establish,
 14 not later than 60 days after the date of the enactment
 15 of this Act, a National Advisory Committee on Child
 16 Care Standards (hereinafter in this section referred to
 17 as the “Committee”), the members of which shall be
 18 appointed from among representatives of—

19 (A) persons who carry out different types of
 20 child care programs;

21 (B) persons who carry out resource and re-
 22 ferral programs;

23 (C) child care and early childhood develop-
 24 ment specialists;

25 (D) early childhood education specialists;

1 (E) individuals who have expertise in pedi-
2 atric health care, handicapping conditions, and re-
3 lated fields;

4 (F) organizations representing child care em-
5 ployees;

6 (G) individuals who have experience in the
7 regulation of child care services;

8 (H) parents who have been actively involved
9 in community child care programs; and

10 (I) State government and units of general
11 purpose local government.

12 (2) APPOINTMENT OF MEMBERS.—The Commit-
13 tee shall be composed of 15 members of which—

14 (A) 5 members shall be appointed by the
15 President;

16 (B) 3 members shall be appointed by the ma-
17 jority leader of the Senate;

18 (C) 2 members shall be appointed by the mi-
19 nority leader of the Senate;

20 (D) 3 members shall be appointed by the
21 Speaker of the House of Representatives; and

22 (E) 2 members shall be appointed by the mi-
23 nority leader of the House of Representatives.

24 (3) CHAIRMAN.—The Committee shall appoint a
25 chairman from among the members of the Committee.

1 (4) *VACANCIES.*—A vacancy occurring on the
2 *Committee shall be filled in the same manner as that*
3 *in which the original appointment was made.*

4 (b) *PERSONNEL, REIMBURSEMENT, AND OVER-*
5 *SIGHT.*—

6 (1) *PERSONNEL.*—The Secretary shall make
7 *available to the Committee office facilities, personnel*
8 *who are familiar with child development and with de-*
9 *veloping and implementing regulatory requirements,*
10 *technical assistance, and funds as are necessary to*
11 *enable the Committee to carry out effectively its func-*
12 *tions.*

13 (2) *REIMBURSEMENT.*—

14 (A) *COMPENSATION.*—Members of the Com-
15 *mittee who are not regular full-time employees of*
16 *the United States Government shall, while at-*
17 *tending meetings and conferences of the Commit-*
18 *tee or otherwise engaged in the business of the*
19 *Committee (including traveltime), be entitled to*
20 *receive compensation at a rate fixed by the Secre-*
21 *tary, but not exceeding the rate specified at the*
22 *time of such service under GS-18 of the General*
23 *Schedule established under section 5332 of title 5,*
24 *United States Code.*

1 (B) *EXPENSES.*—While away from their
2 homes or regular places of business or the busi-
3 ness of the Committee, such members may be al-
4 lowed travel expenses, including per diem in lieu
5 of subsistence, as authorized by section 5703 of
6 title 5, United States Code, for persons employed
7 intermittently in the Government service.

8 (3) *OVERSIGHT.*—The Secretary shall ensure
9 that the Committee is established and operated in ac-
10 cordance with the Federal Advisory Committee Act (5
11 U.S.C. App.).

12 (c) *FUNCTIONS.*—The Committee shall—

13 (1) review Federal policies with respect to child
14 care services and such other data as the Committee
15 may deem appropriate;

16 (2) not later than 180 days after the date on
17 which a majority of the members of the Committee are
18 first appointed, submit to the Secretary proposed mini-
19 mum standards described in subsection (d) for child
20 care services, taking into account the different needs of
21 infants, toddlers, preschool and school-age children);
22 and

23 (3) develop and make available to lead agencies,
24 for distribution to resource and referral agencies in the

1 State, model requirements for resource and referral
2 agencies.

3 (d) *MINIMUM CHILD CARE STANDARDS.*—The pro-
4 posed minimum child care standards submitted pursuant to
5 subsection (c)(2) shall consist of only the following:

6 (1) *CENTER-BASED CHILD CARE SERVICES.*—

7 Such standards submitted with respect to child care
8 services provided by center-based child care providers
9 shall be limited to—

10 (A) group size limits in terms of the number
11 of caregivers and the number and ages of chil-
12 dren;

13 (B) the maximum appropriate child-staff
14 ratios;

15 (C) qualifications and background of child
16 care personnel;

17 (D) health and safety requirements for chil-
18 dren and caregivers; and

19 (E) parental involvement in licensed and
20 regulated child care services.

21 The standards described in subparagraphs (A) and (B)
22 shall reflect the median standards for all States (using
23 for States which apply separate standards to publicly-
24 assisted programs the most comprehensive or stringent

1 of such standards) as of the date of enactment of this
2 Act.

3 (2) *FAMILY CHILD CARE SERVICES.*—Such
4 standards submitted with respect to child care services
5 provided by family child care providers shall be limited
6 to—

7 (A) the maximum number of children for
8 which child care services may be provided and the
9 total number of infants for which child care ser-
10 vices may be provided;

11 (B) the minimum age for caregivers; and

12 (C) health and safety requirements for chil-
13 dren and caregivers.

14 (3) *GROUP HOME CHILD CARE SERVICES.*—
15 Such standards submitted with respect to child care
16 services provided by group home child care providers
17 shall be limited to the matters specified in paragraphs
18 (1)(B) and (2).

19 (e) *CONSIDERATION AND ESTABLISHMENT OF*
20 *STANDARDS.*—

21 (1) *NOTICE OF PROPOSED RULEMAKING.*—Not
22 later than 90 days after receiving the recommendations
23 of the committee, the Secretary shall—

24 (A) publish in the Federal Register—