

107<sup>TH</sup> CONGRESS  
2<sup>D</sup> 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.

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## 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

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## 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.

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