

Child Care Legislation

105th Congress

Child care
legislation

105th Cong

Table of Contents

Senator Kohl	S. 82
Senator Dodd	S. 19
Rep. Woolsey	H.R. 899
Rep. Pryce	H.R. 988
Senator Specter	S. 978
Senator Roberts	S. 548
Rep. DeLauro	H.R. 1373
Senator Kerry	S. 1039
Senator DeWine	S. 1029
Senator Kennedy	S. 1492

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

A

Divider Title: _____

Senator Kohl

S.82

SENATOR KOHL'S CHILD CARE BUSINESS TAX CREDIT

Recent research on the brain has confirmed what educators, parents, and sociologists had postulated for years: the most significant period in a child's development and education is between the years 0-3. In addition, with the advent of welfare reform and the mass movement of mothers into the work force, children in these crucial years are more and more often spending a significant portion of their day in care outside their families.

Unfortunately, public policy has not kept up with these trends. Many working families cannot find quality child care for their young children. And while the Federal, State, and local governments have helped build a education system for 5-25 year olds that is the envy of the world, care and education for 0-5 year olds is largely unstructured, under-valued, and scarce.

Senator Kohl's tax credit proposal addresses these trends. It is designed to provide an incentive to private sector businesses willing to take actions that increase the supply of quality child care. His bill will make the credit available for child care supply increasing activities such as:

- ▶ Expenses related to the acquisition, expansion, or repair of an on- or near-site day care center, after hours care facility, or sick child facility. This credit would also be available for a consortium of businesses that joined together to create a child care center
- ▶ Direct company subsidization of the operating costs of a child care facility
- ▶ The cost of a company's contract with a non-profit Child Care Resource and Referral service
- ▶ A company's reservation for their employees of child care slots in a licensed child care facility.
- ▶ Company expenditures on training and continuing education for child care workers

The credit would be 50% for eligible activities and capped at \$150,000 per year. Safeguards will be written into the legislation to ensure that the company's receive the tax credits for capital expenditures that go toward facilities that stay in operation for several years and that primarily serve their employees.

The tax credit is contained in S.82, the Child Care Infrastructure Act, introduced at the beginning of the 105th Congress. S.82 has received praise from businesses, parents, and day care workers alike. *Working Mother* magazine gave the initiative its "Lollipops" award in the January issue, and the Children's Defense Fund has endorsed it. S.82 is also endorsed by the National Center for the Early Childhood Work Force and the National Child Care Association. An amendment based on S.82 was the only democratic amendment adopted by either House on either reconciliation bill. It passed in the Senate by a bipartisan vote of 72-28 during consideration of the reconciliation tax bill.

Farmers in my state have traditionally been strong supporters of the cooperative movement, because the cooperative business structure has given them the opportunity to be equal partners in the businesses that market their products and supply their farms. I have been a strong supporter of the cooperative movement for the same reason.

But there is a growing dissension among farmers that I believe is dangerous to the long-term viability of agricultural cooperatives. As I talk to farmers around Wisconsin, I hear a growing concern that their voices are not being heard by their cooperatives. They frequently cite the 1993 National Dairy Board referendum as an example. The bill that I am reintroducing today seeks to address one small part of that concern, by giving dairy farmers a more direct role in the selection of their representatives on the National Dairy Board. Whereas current law requires that members of the National Dairy Board be appointed by the Secretary of Agriculture, this legislation would require that the Board be an elected body.

Further, although the legislation would continue the right of farmer cooperatives to nominate individual members to be on the ballot, bloc voting by cooperatives would be prohibited for the purposes of the election itself. There are many issues for which the cooperatives can and should represent their members. But on this issue, farmers ought to speak for themselves.

It is my hope that this legislation will help restore the confidence of the U.S. dairy farmer in dairy promotion. To achieve that confidence, farmers need to know that they have direct power over their representatives on the Board. This bill gives them that power.

I welcome my colleague from Wisconsin, Senator FEINGOLD, as an original cosponsor of this bill, and I am also pleased to join today as an original cosponsor of two pieces of legislation that he is introducing today, as well.

Senator FEINGOLD's two bills would make other needed improvements in the national dairy promotion program. Specifically, one bill would require that imported dairy products be subject to the same dairy promotion assessment as are paid on domestic dairy products today. The other would prohibit the practice of bloc voting by cooperatives for the purpose of any future farmer referendum regarding the National Dairy Board.

I thank my colleague Senator FEINGOLD for his efforts on these matters, and I believe that our three bills provide dairy promotion program reforms that are both complementary and necessary.

I ask unanimous consent that the full text of the bill and summary be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 81

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Dairy Promotion Reform Act of 1997".

SEC. 2. DAIRY VOTING REFORM.

Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by designating the first and second sentences as paragraphs (1) and (2), respectively;

(2) by designating the third through fifth sentences as paragraph (3);

(3) by designating the sixth sentence as paragraph (4);

(4) by designating the seventh and eighth sentences as paragraph (5);

(5) by designating the ninth sentence as paragraph (6);

(6) in paragraph (1) (as so designated), by striking "and appointment";

(7) by striking paragraph (2) (as so designated) and inserting the following:

"(2) QUALIFICATIONS, NOMINATION, AND ELECTION OF MEMBERS.—

"(A) QUALIFICATIONS AND ELECTION.—

"(i) IN GENERAL.—Subject to clause (ii), each member of the Board shall be a milk producer nominated in accordance with subparagraph (B) and elected by a vote of producers through a process established by the Secretary.

"(ii) BLOC VOTING.—In carrying out clause (i), the Secretary shall not permit an organization certified under section 114 to vote on behalf of the members of the organization.

"(B) NOMINATIONS.—

"(i) SOURCE.—Nominations shall be submitted by organizations certified under section 114, or, if the Secretary determines that a substantial number of milk producers are not members of, or the interests of the producers are not represented by, a certified organization, from nominations submitted by the producers in the manner authorized by the Secretary.

"(ii) CONSULTATION WITH MEMBERS.—In submitting nominations, each certified organization shall demonstrate to the satisfaction of the Secretary that the milk producers who are members of the organization have been fully consulted in the nomination process."

(8) in the first sentence of paragraph (3) (as so designated), by striking "In making such appointments," and inserting "In establishing the process for the election of members of the Board,"; and

(9) in paragraph (4) (as so designated)—

(A) by striking "appointment" and inserting "election"; and

(B) by striking "appointments" and inserting "elections".

National Dairy Promotion Reform Act of 1997

SUMMARY OF THE BILL

The bill would amend the Dairy Production Stabilization Act of 1983 to require that future members of the National Dairy Board be elected directly by dairy producers, and not appointed by the Secretary of Agriculture as they are currently.

The bill would also prohibit the practice of bloc voting of members by producer cooperatives for the purpose of the Board elections.

However, cooperatives could continue to nominate members to be on the ballot, as long as they adequately consult with their membership in the nomination process.

The explicit details of the election process would be developed by the Secretary of Agriculture.

By Mr. KOHL:

S. 82. A bill to amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide child care assistance for dependents of their employees, and for other purposes; to the Committee on Finance.

CHILD CARE INFRASTRUCTURE ACT

Mr. KOHL. Mr. President, today I rise to introduce the Child Care Infrastructure Act. This legislation is designed to give incentives to private companies to get involved in the provision of quality child care. I introduced the bill as S. 2083 late last year, and I intend to make its passage this year one of my highest priorities.

My bill responds to the challenges presented by the landmark welfare legislation enacted last Congress. And it responds to the fundamental changes in the American economy that have led to parents entering the work force in record numbers.

The Child Care Infrastructure Act creates a tax credit for employers who get involved in increasing the supply of quality child care. The credit is limited to 50 percent of \$150,000 per company per year. The credit will sunset after 3 years. The credit goes to employers who engage in activities like: Building and subsidizing an entire child care center on the site of a company or near it; participating, along with other businesses, in setting up and running a child care center jointly; contracting with a child care facility to provide a set number of places to employees—this gives existing centers the steady cash flow they need to survive, or it can give a startup center the steady income it needs to get off the ground; contracting with a resource and referral agency to provide services such as placement or the design of a network of local child care providers.

This legislation responds to a great need, a great challenge, and a great opportunity. The need is to provide a safe and stimulating place for our youngest children to spend their time while their parents are at work. The challenge is to make the American workplace more productive by making it more responsive to the needs of the American family. And the opportunity is to take what we are learning about the importance of early childhood education and use it to help our children become the best educated adults of the 21st century.

The need for quality child care is certainly apparent. As real wages have stagnated over the last decade, many families have adapted by having two wage earners per family. Also, over the same period, the number of children living in mother-only families has increased—in 1950, 6 percent of all children lived in mother-only families; in 1994, that number was 24 percent. In my home State of Wisconsin, 67 percent of women with children under 6 years old are in the work force according to Children's Defense Fund. And in Milwaukee County, about 56 percent of children under the age of 6 have both parents in

the work force or their sole parent in the work force. That translates into about 67,600 children under the age of 6 in that county who right now are already in need of or in child care.

With the passage of the welfare reform law, and the implementation of W-2, Wisconsin's welfare reform State plan, the need for child care will become even greater. A recent report done for the Community Coordinated Child Care of Milwaukee found that the implementation of W-2 will lead to the need for over 8,000 new full-time child care slots in Milwaukee County alone.

Wisconsin is not unique in facing this overwhelming shortage of child care slots. Across the Nation, States and communities are facing the same issue. Where are our youngest children going to spend the day while their parents are at work?

This is not the sort of market shortage we can or should address haphazardly. There is nothing less at stake than the welfare of our children. Study after study has found the enormous importance of early childhood education and care—and by early education, the experts mean the education of 0 to 4 year olds. One University of Chicago researcher has claimed that intelligence appears to develop as much during the years 0 to 4 as it does from the years 4 to 18.

If we are simply warehousing kids in these early years, we are going to not only hamper their ability to develop fulfilling and productive lives, but we are hurting ourselves. We are resigning ourselves to trying to solve educational and developmental problems—at great expense—for the rest of these children's lives.

As obvious as this point may seem, the desperate need for quality early child care is not a problem that this Nation has addressed. As a Nation—and I mean Federal, State, local, and private resources—over the last 10 years, we have doubled our expenditures on educating 5 to 25 year olds to \$500 billion. Contrast that with the mere \$4 billion we are spending on Head Start, and 95 percent of that is on children 3, 4, and 5 years old. Only \$100 million out of \$500 billion is spent on the period when the most significant development takes place—that's one-fifth of one thousandth of what we spend on ages 5 through 25.

Obviously, our investment in children has not kept up with what we now know about how children learn and develop in their earliest year.

There is another reason to care about the supply of quality child care—especially for businesses to care about quality child care. Employees who are happy with their child care situations are better employees. They are more productive, have less absenteeism, and are more loyal to their company.

Clearly, there is a shortage of quality child care, and equally clearly, there is a benefit to the private sector if they are involved in solving that shortage. The approach I take in my legislation

is to try to encourage private businesses to undertake activities that would increase the supply of quality child care.

The legislation gives flexibility to businesses that want to get involved in providing child care for their employee's dependents. Though the shortage of quality child care is definitely a national problem, it does have uniquely local solutions. What sort of child care infrastructure works best in a community is going to depend on the sort of work that community does—whether there are many part-time or odd hour shifts, whether the local economy has a few very large employers or a lot of small employers, or some mix. My legislation includes a tax incentive that would allow many different kinds of businesses to take advantage of it—and that would allow them to be as creative as possible.

The 21st century economy will be one in which more of us are working, and more of us are trying to balance work and family. How well we adjust to that balance will determine how strong we are as an economy and as a Nation of families. My legislation is an attempt to encourage businesses to play an active role in this deeply important transition.

In the 1950's, Federal, State, local governments, communities, and businesses banded together to build a highway system that is the most impressive in the world. Those roads allowed our economy to flourish and our people to move safely and quickly to work. In the 1990's, we need the same sort of national, comprehensive effort to build safe and affordable child care for our children. As more and more parents—of all income levels—move into the work force, they need access to quality child care just as much as their parents needed quality highways to drive to work. And if we are successful—and I plan to be successful—in the 21st century excellent child care will be as common as interstate highways.

Child care is an investment that is good for children, good for business, good for our States, and good for the Nation. We need to involve every level of government—and private, communities and private businesses—in building a child care infrastructure that is the best in the world. My legislation is a first, essential step toward this end.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 82

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Care Infrastructure Act of 1997".

SEC. 2. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal

Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 44D. EMPLOYER-PROVIDED CHILD CARE CREDIT."

"(a) IN GENERAL.—For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 50 percent of the qualified child care expenditures of the taxpayer for such taxable year.

"(b) DOLLAR LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed \$150,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED CHILD CARE EXPENDITURE.—The term 'qualified child care expenditure' means any amount paid or incurred—

"(A) to acquire, construct, rehabilitate, or expand property—

"(i) which is to be used as part of a qualified child care facility of the taxpayer,

"(ii) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

"(iii) which does not constitute part of the principal residence (within the meaning of section 1034) of the taxpayer or any employee of the taxpayer;

"(B) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training,

"(C) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer, or

"(D) under a contract to provide child care resource and referral services to employees of the taxpayer;

"(2) QUALIFIED CHILD CARE FACILITY.—

"(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

"(i) the principal use of which is to provide child care assistance, and

"(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 1034) of the operator of the facility.

"(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

"(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

"(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

"(iii) the use of such facility (or the eligibility to use such facility) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

"(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

"(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable recapture percentage, and

"(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer

described in subsection (c)(1)(A) with respect to such facility had been zero.

"(2) APPLICABLE RECAPTURE PERCENTAGE.—"

"(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

The applicable recapture percentage is:	
"If the recapture event occurs in:	
Years 1-3	100
Year 4	85
Year 5	70
Year 6	55
Year 7	40
Year 8	25
Years 9 and 10	10
Years 11 and thereafter	0.

"(B) YEARS.—For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

"(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

"(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

"(B) CHANGE IN OWNERSHIP.—"

"(1) IN GENERAL.—Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

"(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

"(4) SPECIAL RULES.—"

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

"(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

"(e) SPECIAL RULES.—For purposes of this section—

"(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

"(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(7) NO DOUBLE BENEFIT.—"

"(1) REDUCTION IN BASIS.—For purposes of this subtitle—

"(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

"(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

"(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.

"(g) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 1999."

(b) CONFORMING AMENDMENTS.—

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended—

(A) by striking out "plus" at the end of paragraph (11).

(B) by striking out the period at the end of paragraph (12), and inserting a comma and "plus", and

(C) by adding at the end the following new paragraph:

"(13) the employer-provided child care credit determined under section 45D."

(2) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

"Sec. 45D. Employer-provided child care credit."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

Mr. AKAKA.

S. 83. A bill to consolidate and revise the authority of the Secretary of Agriculture relating to plant protection and quarantines, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

PLANT PROTECTION ACT

Mr. AKAKA.

Mr. President, today I am introducing the Plant Protection Act, a comprehensive consolidation of Federal laws governing plant pests and diseases, noxious weeds, and the plant products that harbor pests and weeds.

During the past century, numerous Federal laws were enacted to address problems caused by plant pests and noxious weeds. While some of these laws continue to protect agriculture and the environment, others are ambiguous, outdated, or difficult to enforce. The Nation's agricultural community, as well as private, state, and Federal land managers, cannot afford the continuing uncertainty caused by the hodgepodge of Federal plant pest laws, some of which were enacted before World War I. Legislation to revise and consolidate Federal plant pest laws is urgently needed and long overdue.

Agriculture Secretary Dan Glickman highlighted the problem created by federal plant protection laws when he told Congress that "in some instances, it is unclear which statutes should be relied

upon for authority. It is difficult to explain to the public why some apparently similar situations have to be treated differently because different authorities are involved."

A 1993 report issued by the Office of Technology Assessment reached the same conclusion. The OTA found that Federal and State statutes, regulations, and programs are not keeping pace with new and spreading alien pests.

The Plant Protection Act will address many of these problems. The bill I introduced today will enhance the Federal Government's ability to combat weeds, plant pests, and diseases, and protect our farms, environment, and economy from the harm they cause.

Plant pests are a problem of monumental proportions. Insects such as Mediterranean fruit fly, fire ant, and gypsy moth plague America's farmers and cause billions of dollars in crop losses annually. Destructive plant diseases include chestnut blight, which wiped out the most common tree of our Appalachian forests, elm blight, which destroyed many splendid trees throughout our towns and cities, and the white pine blister rust, which eliminated western white pine as a source of timber for several decades.

Alien weeds also cause havoc, and nowhere is this problem more apparent than in Hawaii. Because our climate is so accommodating, Hawaii is heaven-on-earth for weeds. Weeds such as gorse, ivy gourd, mimosa, and banana poka are ravaging our tropical and subtropical landscapes.

Invasive noxious weeds do more than just compete with domestic species. They transform the landscape, change the rules by which native plants and animals live, and undermine the economic and environmental health of the areas they infest.

Alien weeds fuel grass and forest fires, promote soil erosion, and destroy critical water resources. They significantly increase the cost of farming and ranching. Noxious weeds destroy or alter natural habitat, damage waterways and powerlines, and depress property values. Some are toxic to humans, livestock, and wildlife.

Alien weeds are biological pollution, pure and simple. Due to the worldwide growth in trade and travel we are witnessing an explosion in the number of foreign weeds that plague our Nation.

Just how big is this problem? Let offer an example. Last year, on Federal lands alone, we lost 4,500 acres each day to noxious weeds. That's a million-and-a-half acres a year, or an area the size of Delaware. By comparison, forest fires—one of the most fearsome natural disasters—claimed only half as many Federal acres as weeds.

Noxious weeds have also been called biological wildlife, and for good reason. Forests, national parks, recreation areas, urban landscapes, wilderness, grasslands, waterways, farm and range land across the Nation are overrun by noxious weeds.

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

B

Divider Title: _____

Senator Dodd

S.19

The Working Families Child Care Act

Background: For many families, it's necessary for both parents to work to make ends meet. For an increasing number of single parent families, affordable child care can make the difference between welfare or work. Today, more than 60% of women with children under the age of six are in the workforce. Over half of all infants under the age of one and more than 12 million children under the age of five regularly spend time in the care of someone other than their parents.

Given the large number of working parents, particularly women who decades ago were at home raising their own children, good quality child care is necessary to ensure that children thrive in a healthy, safe, and developmentally appropriate environment.

With so many parents needing child care today, this generation of parents faces a whole new set of problems unforeseen by our parents.

- * **AVAILABILITY:** Child care in many communities is simply not available. There are waiting lists in many states, in many communities. The National Academy of Sciences issued a report concluding that there is a shortage of child care for infants, for school-age children (before & after school programs), for children with disabilities, and for parents with unconventional hours.
- * **AFFORDABILITY:** Child care in many communities is simply not affordable. The cost of child care is a major burden to many families. For some, it's a barrier to work. To others, it's the largest single bill the family must pay per month, or second largest next to rent or mortgage. States have long waiting lists for families seeking subsidies. For families with more than one child, the cost can be phenomenal. About 75% of 3 and 4 year olds from families with income greater than \$50,000 per year are enrolled in a high quality center-based early childhood program. But, for many middle class families, with income of less than \$50,000 per year, with no assistance, they can't afford an early childhood development program. The neighbor, and the neighbor's television set, will have to do.
- * **QUALITY:** The quality of child care that is available in many communities needs to be improved. The quality of child care varies among states and among communities. Studies have found that about 15% of children are in child care arrangements of such poor quality that their health or development is threatened. In a 1993 study of centers serving children of all ages, the care in 40% of the classrooms serving infants was judged to be possibly injurious. Children in settings that are not overseen or inspected by anyone may fare worse. A quality child care program can prepare children for school and can set them on a path toward greater achievement and productivity as working adults. If only the truly wealthy can afford good quality early childhood development programs for their children, we will fast exacerbate the differences between the haves and have-nots as we enter the next century.

Working Families Child Care Act: There is no question that child care needs to be more available, more affordable, and of high quality to ensure that children are safe and stimulated in a

developmentally appropriate manner while their parents are working. The Democratic bill seeks to build on the bipartisan Child Care and Development Block Grant created in 1990. The federal government would continue to allocate resources to the states to expand and improve child care opportunities for children. States would be encouraged to raise the quality of existing child care (where necessary) and expand child care efforts particularly for infants, before & after school programs, and care during nontraditional work hours. Funds would also be provided to meet the \$1.4 billion shortfall for the working poor assessed by CBO in an analysis of the 1996 welfare reform bill.

Child Care Funding: FY97 funding for the Child Care Development Block Grant is \$958.1 million. This legislation would increase the authorization for CCDBG funds to \$2 billion for each of fiscal years 1997-2002.

The bill provides mandatory spending of \$1.4 billion for fiscal years 1997 to 2002 to provide child care funds to states to assist the working poor (for those who have left welfare, but may still be at risk of returning to welfare or those who are at-risk of turning to welfare for a first time).

Grants for Child Care Supply Shortages: \$500 million is authorized for each of fiscal years 1997 through 2002 to carry out the following activities in areas where shortages of child care exist within a state: infant care programs; before & after school programs; resource & referral programs; nontraditional work hour child care programs; extending the hours of kindergarten programs to provide full-day services, and any other child care programs that the Secretary determines are appropriate.

Effective Date: As if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (welfare reform, PL104-193).

more than the increase in fair market value of the property attributable to the response action.

Section 201(c) amends section 101 of CERCLA to define "bona fide prospective purchaser." The definition requires that: all disposal of hazardous substances occurred before the person acquired the facility; the purchaser made all appropriate inquiry into its previous ownership and used the person provided proper notice regarding the discovery of hazardous substances at the facility; he exercised appropriate care; he provided full cooperation, assistance, and facility access to those conducting the response action; and there is no family or business relationship with a potentially responsible party at the facility.

TITLE III—INNOCENT LANDOWNERS

Section 301(a) amends section 101(35) of CERCLA clarifying the exception from liability of innocent landowners. The requirements that such a person make "all appropriate inquiry" is satisfied if he has an environmental site assessment conducted within the 180 days preceding the acquisition of the property. "Environmental site assessment" means one conducted in accordance with the American Society of Testing and Materials (ASTM) standard for a Phase I environmental site assessment (Standard E1527-94), or an alternative standard issued by the President. To be treated as having made "all appropriate inquiry," a person must: (1) maintain a compilation of the information gathered in the course of the site assessment; (2) exercise appropriate care by stopping on-going releases, preventing threatened future releases, and limiting human and natural resource exposure to hazardous substances; and (3) provide all cooperation assistance, and facility access to persons conducting response actions at the facility. For the purposes of this subsection and 101(35) (the definition of "contractual relationship"), the term "contamination" means an existing release, a past release, or the threat of a release.

The court shall take into account any specialized knowledge of the defendant, the relationship of the purchase price to the value of the property if uncontaminated, commonly known information about the property, the obviousness of the presence of contamination at the property, and the ability to detect the contamination. EPA shall issue or designate standard and practices that satisfy these requirements. The bill identifies 10 factors for EPA to consider in issuing the standards:

1. Conduct of an inquiry by an environmental professional.
2. Interviews with past and present owners, operators, and occupants of the facility.
3. A review of historical sources, such as chain of title documents, aerial photographs, building department records, and land use records.
4. A search for recorded environmental liens, filed under Federal, state, or local law.
5. A review of Federal, state, and local government records (such as waste disposal records), underground storage tank records, and hazardous waste handling, generation, treatment, disposal, and spill records.
6. A visual inspection of the facility, and adjoining properties.
7. Any specialized knowledge or experience on the part of the defendant.
8. The relationship of the purchase price to the value of the property if uncontaminated.
9. Commonly known or reasonably ascertainable information about the property.
10. The obviousness of the presence of contamination, and the ability to detect it by appropriate investigation.

In the case of a property for residential or similar use purchased by a nongovernmental

or noncommercial entity, a site inspection and title search are sufficient to satisfy the requirements.

Section 301(b) authorizes EPA to issue regulations to carry out section 301, and gives it the authority to clarify or interpret all terms.

REGIONAL PLAN ASSOCIATION

Newark, NJ, January 20, 1997.

Senator FRANK LAUTENBERG,

Hart Office Building, Washington, DC.

Re: Brownfields and Environmental Cleanup Act of 1997.

DEAR SENATOR LAUTENBERG: As Director of the New Jersey Office of Regional Plan Association, I am happy to support your proposed Brownfields and Environmental Cleanup Act. RPA is the country's oldest private, non profit regional planning organization charged with improving transportation, environmental conservation and economic development in the 31-county New York, New Jersey and Connecticut metropolitan area. RPA has been a leading force in brownfields redevelopment in New Jersey, having successfully coordinated the award-winning OENJ brownfields Model Redevelopment Project in Elizabeth, and overseeing the Legislative and Regulatory Reform committee of the EPA Brownfields Pilot Project in Newark.

The proposed Brownfields and Environmental Cleanup Act of 1997 will go a long way towards stimulating redevelopment of the region's abandoned, contaminated land. In particular, the provisions for local site characterization grants and site cleanup loans will provide an important incentive for local governments to prioritize and implement redevelopment of critical sites within their municipalities. The liability limitations under Section 101 are also important incentives at the federal level to encourage prospective purchasers to invest in brownfields redevelopment. Some of these provisions are being discussed at the State level in New Jersey. The passage of federal legislation will greatly assist our efforts to promote brownfields cleanup nationwide.

I am grateful for this opportunity to support your far-reaching legislation, and wish you the best of luck in its speedy passage.

Sincerely,

LINDA P. MORGAN,

Director.

By Mr. DODD (for himself, Mr. DASCHLE, Mr. KENNEDY, Mr. MIKULSKI, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. TORRICELLI, and Mrs. BOXER):

S. 19. A bill to provide funds for child care for low-income working families, and for other purposes; to the Committee on Labor and Human Resources

WORKING FAMILIES CHILD CARE ACT OF 1997

Mr. DODD. Mr. President, I rise today to introduce the Working Families Child Care Act of 1997.

Mr. President, balancing the daunting responsibilities of work with the responsibilities of raising children is always a difficult task. It is especially challenging when so many parents today are working outside the home and are forced to depend on child care.

Not surprisingly, these challenges are especially acute for low income, working families. In fact according to a national child care study, when compared to all other income groups, the working poor are the least likely to receive assistance with child care costs—

even though it consumes a disproportionate share of their income—24 percent, compared to 6 percent for middle income families.

What's more, it's a constant struggle for low income families to remain self sufficient without child care assistance. In a survey of families on a waiting list in one community, it was found that of those paying for child care, 71 percent faced serious debt or bankruptcy.

Currently, in 38 States and the District of Columbia the working poor are on waiting lists to receive child care. Georgia has 41,000 on its waiting list; Texas 36,000; Illinois 20,000; Alabama 20,000. Most of the States which don't have a waiting list either don't keep one, are expecting to create one in the future, or currently are experiencing a brief respite.

In my own State of Connecticut, new openings for child care assistance were frozen in November 1993. When new slots became available, for only two days this past summer, 5,500 applications were received.

During the last Congress, we intensely debated the issue of child care—in the larger context of welfare reform legislation. The original welfare legislation in January 1995 cut funds for child care and eliminated critically important health and safety standards.

In the 104th Congress I continued to fight for child care, offering amendments to increase funding and ensure quality. While I disagreed with the final welfare reform bill, I am pleased that many of these amendments succeeded and that in the end, the final bill included child care funding of \$1.2 billion over 2 years and restored rigorous health and safety standards.

However, while the bill we passed made significant and crucial strides in providing child care for welfare recipients—there is still work to be done.

The bill I am proposing today will address the issue of child care for low income working families and make it easier for them to access adequate child care assistance.

First, this legislation restores \$1.4 billion in child care funding.

According to a recent CBO report, even if states meet the work requirements of the welfare bill they will still be short \$1.4 billion for money needed to continue serving certain low income working families. These aren't new recipients we're talking about, but instead families who were receiving child care assistance prior to passage of welfare reform legislation.

The legislation I am introducing today will prevent working parents from losing child care assistance simply as a result of the welfare reform bill.

Second, it begins to address the shortage of assistance for working families, by raising the authorization for child care subsidies for low income working families from \$1 billion per year to \$2 billion per year.

And finally, it authorizes \$500 million per year through 2002 to help communities meet supply shortages in areas such as infant care and school age care.

Even when subsidies are available, child care can be difficult to obtain. According to the National Academy of Sciences, there is "Consistent evidence of a relatively low supply of care for infants, for school age children, for children with disabilities and special health care needs and for parents with unconventional or shifting work hours."

What's more, a 1995 GAO study based in Michigan found a shortage of infant and special needs child care in inner cities and a shortage of all types of child care in rural areas. So, we're not simply talking about financial assistance for child care, but whether child care actually exists.

This shortage of child care is a problem for both working families and welfare recipients who want to become self-sufficient. How can we expect someone to make the difficult transition from welfare to work when they cannot find an adequate provider for an infant or are forced to have a 6, 7 or 8 year old spend hours alone at home when the school day ends?

This lack of supervision can have a devastating long-term impact. One study found that children who start to take care of themselves in elementary school are significantly more likely to report high use of alcohol by the eighth grade. Eighth graders left home alone for 11 or more hours a week report significantly greater use of cigarettes, alcohol, and marijuana than children not left home alone. We know all this, and yet only one third of the schools in low income neighborhoods offer school age child care, compared with 52 percent in more affluent areas.

For those struggling to make the difficult journey to self-sufficiency, the lack of available child care before 9, after 5, and on weekends can be an enormous problem. What's worse, such arrangements put the safety of a child in question.

The reality is that nearly 1 in 5 full time workers—14.3 million—work non-standard hours. More than 1 in 3 are women. However, only 10 percent of child care centers and 6 percent of family day care provide care on weekends. Yet one third of working mothers with incomes below poverty and one fourth of mothers with income above poverty, but below \$25,000, work on weekends.

An additional supply problem is that head start and other prekindergarten programs are part day and part year. As a result, they often do not meet the needs of parents who work full time. Less than 30 percent of Head Start programs operate on a full-time, full-year basis.

Simply put, child care funds need to be available to make these programs accessible for working parents. In my view, we as a nation have a solemn commitment to guarantee that children will not be left to fend for them-

selves while their parents are working to put food on the table.

Child care is one of the most important ingredients for helping poor working families achieve and maintain economic security. Like parents in any community and of any financial background, low income families need to know that when they go to work, their children will receive the care and assistance they need.

The bill I am introducing today will make it easier for low income, working families to balance the responsibilities of work and caring for their children. I urge all my colleagues to join together in supporting this legislation—for the good of America's children.

S. 19

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the "Working Families Child Care Act of 1997".

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Assistance for low-income working families.

Sec. 4. Grants for child care supply shortages.

Sec. 5. Report on access to child care by low-income working families.

Sec. 6. Effective date.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Availability and affordability of quality child care is a major obstacle for working parents who struggle to remain self-sufficient.

(A) Compared to all other income groups, the working poor are the least likely to receive assistance with their child care costs.

(B) Low-income families spend 24 percent of their household income on child care, whereas middle-income families spend 6 percent of their household income on child care.

(C) 38 States have waiting lists for child care for the working poor. Among those States, Georgia has 41,000 individuals on its waiting list, Texas has 36,000 individuals on its waiting list, and Illinois and Alabama each have 20,000 individuals on their waiting lists.

(D) One survey of low-income families on a waiting list for subsidized child care found that of those families paying for child care out of their own funds, 71 percent faced serious debt or bankruptcy.

(E) Half of the States and the District of Columbia, even before the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2106) during the 104th Congress, increased the proportion of child care slots or dollars going to families on welfare, rather than to working poor families.

(2) The Congressional Budget Office estimates that there will be \$1,400,000,000 less expenditures of child care funds for working poor families as a result of the States implementing the work requirements imposed under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2106).

(3) Important types of child care are not available in certain States including infant care, school-age care, care for children with disabilities and special health care needs, and child care for parents with unconventional or shifting work hours.

(A) A 1995 State study by the Comptroller General of the United States found a shortage of child care for infants and children with special needs in inner cities, and a shortage of all types of child care in rural areas.

(B) Only ¼ of the schools in low-income neighborhoods offer school-age child care, compared with 52 percent of schools in more affluent areas offering such care.

(C) Eighth-graders who are left home alone for 11 or more hours a week report significantly greater use of cigarettes, alcohol, and marijuana than eighth-graders who are not left home alone.

(D) Existing child care arrangements do not accommodate the work schedules of many working women. According to a 1996 statistic published by the Department of Labor, 14,300,000 workers, nearly 1 in 5 full-time workers work nonstandard hours, and more than 1 in 3 of those workers are women.

(E) Only 10 percent of child care centers and 6 percent of family day care providers offer child care on weekends. Yet ¼ of working mothers with annual incomes below the poverty level and ¼ of mothers with annual incomes above the poverty level but below \$25,000 work on weekends.

(F) Less than 30 percent of Head Start programs operate on a full-time, full-year basis.

SEC. 3. ASSISTANCE FOR LOW-INCOME WORKING FAMILIES.

Section 658B of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 985B) is amended to read as follows:

"SEC. 658B. FUNDING OF GRANTS.

"(a) **AUTHORIZATION OF APPROPRIATIONS.**—Except as provided in subsection (b), there is authorized to be appropriated to carry out this subchapter \$2,000,000,000 for each of fiscal years 1997 through 2002.

"(b) **APPROPRIATION.**—The Secretary shall pay, from funds in the Treasury not otherwise appropriated, \$1,400,000,000 for fiscal years 1997 through 2002, through the awarding of grants to States under this subchapter for the purpose of providing child care services for families who have left the State program of assistance under part A of title IV of the Social Security Act because of employment, families that are at risk of becoming dependent on such assistance program, and low-income working families described in section 658E(c)(3)(D). Funds shall be paid under this subsection to the States in the same manner, and subject to the same requirements and limitations, as funds are paid to the States under section 418 of the Social Security Act (42 U.S.C. 618)."

SEC. 4. GRANTS FOR CHILD CARE SUPPLY SHORTAGES.

(a) **GRANTS FOR CHILD CARE SUPPLY SHORTAGES.**—Section 658E(c)(3) of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 985E(c)(3)) is amended by adding at the end the following:

"(E) CHILD CARE SUPPLY SHORTAGES.—

"(1) **IN GENERAL.**—A State shall ensure that 100 percent of amounts paid to the State out of funds appropriated under section 658B(a)(2) with respect to each of the fiscal years 1997 through 2002 shall be used to carry out child care activities described in clause (2) in geographic areas within the State that have a shortage, as determined by the State, in consultation with localities, of child care services.

"(2) **CHILD CARE ACTIVITIES DESCRIBED.**—The child care activities described in this clause include the following:

"(I) Infant care programs.

"(II) Before- and after-school child care programs.

"(III) Resource and referral programs.

"(IV) Nontraditional work hours child care programs.

"(V) Extending the hours of pre-kindergarten programs to provide full-day services.

"(VI) Any other child care programs that the Secretary determines are appropriate."

(b) **AUTHORIZATION OF APPROPRIATIONS.**—Section 658B(a) of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858(a)), as amended by section 2, is amended—

(1) by striking "Except as provided in" and inserting the following:

"(1) **IN GENERAL.**—Except as provided in paragraph (2) and"; and

(2) by adding at the end the following:

"(2) **CHILD CARE SUPPLY SHORTAGES.**—There is authorized to be appropriated to carry out section 658B(c)(3)(E), \$500,000,000 for each of fiscal years 1997 through 2002."

(c) **CONFORMING AMENDMENT.**—Section 658(c)(3)(A) of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858(c)(3)(A)) is amended by striking "(D)" and inserting "(E)".

SEC. 3. REPORT ON ACCESS TO CHILD CARE BY LOW-INCOME WORKING FAMILIES.

(a) **STATE REPORTING REQUIREMENT.**—Section 658E(a)(2) of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858E(a)(2)) is amended—

(1) in subparagraph (D), by striking "and" at the end; and

(2) by inserting after subparagraph (E), the following:

"(F) the total number of families described in section 658B(b) that were eligible for but did not receive assistance under this subchapter or under section 418 of the Social Security Act and a description of the obstacles to providing such assistance; and

"(G) the total number of families described in section 658B(b) that received assistance provided under this subchapter or under section 418 of the Social Security Act and a description of the manner in which that assistance was provided;"

(b) **SECRETARIAL REPORTING REQUIREMENT.**—Section 658L of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858L) is amended by inserting ", with particular emphasis on access of low-income working families," after "public".

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act take effect as if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2106).

By Mr. DASCHLE (for himself, Mr. REID, Mr. LINDBERMAN, Mr. DORGAN, Mr. BREAUX, Mr. KOHL, Mr. WYDEN, and Mr. BINGAMAN):

S. 20. A bill to amend the Internal Revenue Code of 1986 to increase the rate and spread the benefits of economic growth, and for other purposes, to the Committee on Finance.

TARGETED INVESTMENT INCENTIVE AND ECONOMIC GROWTH ACT OF 1997

Mr. DASCHLE: I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 20

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) **SHORT TITLE.**—This Act may be cited as the "Targeted Investment Incentive and Economic Growth Act of 1997".

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in

this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE I—TAXATION OF CAPITAL GAINS AND LOSSES

SEC. 101. ROLLOVER OF CAPITAL GAINS ON CERTAIN SMALL BUSINESS INVESTMENTS.

(a) **IN GENERAL.**—Part III of subchapter O of chapter 1 (relating to common nontaxable exchanges) is amended by adding at the end the following new section:

"SEC. 1043. ROLLOVER OF GAIN ON SMALL BUSINESS INVESTMENTS.

"(a) **NONRECOGNITION OF GAIN.**—In the case of the sale of any eligible small business investment with respect to which the taxpayer elects the application of this section, gain from such sale shall be recognized only to the extent that the amount realized on such sale exceeds—

"(1) the cost of any other eligible small business investment purchased by the taxpayer during the 6-month period beginning on the date of such sale, reduced by

"(2) any portion of such cost previously taken into account under this section.

This section shall not apply to any gain which is treated as ordinary income for purposes of this subtitle.

"(b) **DEFINITIONS AND SPECIAL RULES.**—For purposes of this section—

"(1) **PURCHASE.**—The term 'purchase' has the meaning given such term by section 1043(b)(4).

"(2) **ELIGIBLE SMALL BUSINESS INVESTMENT.**—Except as otherwise provided in this section, the term 'eligible small business investment' means any stock in a domestic corporation, and any partnership interest in a domestic partnership which is originally issued after December 31, 1996, if—

"(A) as of the date of issuance, such corporation or partnership is a qualified small business entity,

"(B) such stock or partnership interest is acquired by the taxpayer at its original issue (directly or through an underwriter)—

"(i) in exchange for money or other property (not including stock), or

"(ii) as compensation for services (other than services performed as an underwriter of such stock or partnership interest), and

"(C) the taxpayer has held such stock or interest at least 6 months as of the time of the sale described in subsection (a).

A rule similar to the rule of section 1202(c)(3) shall apply for purposes of this section.

"(3) **ACTIVE BUSINESS REQUIREMENT.**—Stock in a corporation, and a partnership interest in a partnership, shall not be treated as an eligible small business investment unless, during substantially all of the taxpayer's holding period for such stock or partnership interest, such corporation or partnership meets the active business requirements of subsection (c). A rule similar to the rule of section 1202(c)(2)(B) shall apply for purposes of this section.

"(4) **QUALIFIED SMALL BUSINESS ENTITY.**—

"(A) **IN GENERAL.**—The term 'qualified small business entity' means any domestic corporation or partnership if—

"(i) such entity (and any predecessor thereof) had aggregate gross assets (as defined in section 1202(X)(2)) of less than \$25,000,000 at all times before the issuance of the interest described in paragraph (2), and

"(ii) the aggregate gross assets (as so defined) of the entity immediately after the issuance (determined by taking into account amounts received in the issuance) are less than \$25,000,000.

"(B) **AGGREGATION RULES.**—Rules similar to the rules of section 1202(d)(3) shall apply for purposes of this paragraph.

"(C) **ACTIVE BUSINESS REQUIREMENT.**—

"(1) **IN GENERAL.**—For purposes of subsection (b)(3), the requirements of this subsection are met by a qualified small business entity for any period if—

"(A) the entity is engaged in the active conduct of a trade or business, and

"(B) at least 80 percent (by value) of the assets of such entity are used in the active conduct of a qualified trade or business (within the meaning of section 1202(e)(3)).

Such requirements shall not be treated as met for any period if during such period the entity is described in subparagraph (A), (B), (C), or (D) of section 1202(b)(4).

"(2) **SPECIAL RULE FOR CERTAIN ACTIVITIES.**—For purposes of paragraph (1), if, in connection with any future trade or business, an entity is engaged in—

"(A) startup activities described in section 195(c)(1)(A),

"(B) activities resulting in the payment or incurring of expenditures which may be treated as research and experimental expenditures under section 174, or

"(C) activities with respect to in-house research expenses described in section 41(b)(4), such entity shall be treated with respect to such activities as engaged in (and assets used in such activities shall be treated as used in) the active conduct of a trade or business. Any determination under this paragraph shall be made without regard to whether the entity has any gross income from such activities at the time of the determination.

"(3) **CERTAIN RULES TO APPLY.**—Rules similar to the rules of paragraphs (5), (6), (7), and (8) of section 1202(e) shall apply for purposes of this subsection.

"(d) **CERTAIN OTHER RULES TO APPLY.**—Rules similar to the rules of subsections (f), (g), (h), and (j) of section 1202 shall apply for purposes of this section, except that a 6-month holding period shall be substituted for a 5-year holding period where applicable.

"(e) **BASIS ADJUSTMENTS.**—If gain from any sale is not recognized by reason of subsection (a), such gain shall be applied to reduce (in the order acquired) the basis for determining gain or loss of any eligible small business investment which is purchased by the taxpayer during the 6-month period described in subsection (a).

"(f) **STATUTE OF LIMITATIONS.**—If any gain is realized by the taxpayer on the sale or exchange of any eligible small business investment and there is in effect an election under subsection (a) with respect to such gain, then—

"(1) the statutory period for the assessment of any deficiency with respect to such gain shall not expire before the expiration of 3 years from the date the Secretary is notified by the taxpayer (in such manner as the Secretary may by regulations prescribe) of—

"(A) the taxpayer's cost of purchasing other eligible small business investments which the taxpayer claims results in non-recognition of any part of such gain,

"(B) the taxpayer's intention not to purchase other eligible small business investments within the 6-month period described in subsection (a), or

"(C) a failure to make such purchase within such 6-month period, and

"(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

"(g) **REGULATIONS.**—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

C

Divider Title: _____

Rep. Woolsey

H.R. 899

LYNN WOOLSEY
8TH DISTRICT, CALIFORNIA

COMMITTEES:
BUDGET
ECONOMIC AND EDUCATIONAL
OPPORTUNITIES

WASHINGTON OFFICE:
439 CANNON BUILDING
WASHINGTON, DC 20515-0506
TELEPHONE: (202) 225-6181

Congress of the United States
House of Representatives
Washington, DC 20515-0506

DISTRICT OFFICE:
1101 COLLEGE AVE., SUITE 200
SANTA ROSA, CA 95404
TELEPHONE: (707) 542-7182
FROM PETALUMA CALL:
(707) 786-1492
NORTHGATE BUILDING
1050 NORTHGATE DRIVE, SUITE 140
SAN RAFAEL, CA 94903
TELEPHONE: (415) 807-0554
INTERNET ADDRESS:
woolsey@hr.house.gov

THE WORKING FAMILIES CHILD CARE ACT

The Working Families Child Care Act adds two new programs to the Child Care and Development Block Grant (CCDBG). CCDBG is a discretionary grant program which authorizes grants to States to help meet child care needs in the State.

The bill cites findings which show that working families continue to have major difficulties finding affordable, quality child care. It cites the finding by the Congressional Budget Office that there will be a \$1.4 billion shortfall in child care funds for working families as a result of the requirements in the new welfare law. In addition, certain types of child care, such as infant care, before and after school care and others, are particularly difficult to find in some geographic areas.

Based on these findings, The Working Families Child Care Act authorizes \$1.4 billion for each of the fiscal years 1997 through 2002, to provide child care services to families who have left welfare due to employment, families who are at risk of going on welfare, and low-income working families.

In addition, \$500 million is authorized for FY97-2002 for grants to geographic areas where there are child care shortages. These funds can be used for a variety of activities such as infant care programs, before and after school care, resource and referral programs, nontraditional work hours child care programs, and full day kindergartens.

In order to better assess the ongoing need for child care, The Working Families Child Care Act requires States to report on the number of families who were eligible for assistance under the CCDBG but did not receive it, and why that assistance was not provided. In addition, States must report on the total number of families that did receive assistance and what type of assistance they received.

COMMITTEES
BUDGET
ECONOMIC AND EDUCATIONAL
OPPORTUNITIES
WASHINGTON OFFICE:
439 CANNON BUILDING
WASHINGTON, DC 20515-0506
TELEPHONE: (202) 225-8181

Congress of the United States
House of Representatives
Washington, DC 20515-0506

SAN RAFAEL, CA 94903
TELEPHONE: (707) 542-7182
FROM PETALUMA CALL:
(707) 795-1462
NORTHGATE RUI DRIO
1050 NORTHGATE DRIVE, SUITE 140
SAN RAFAEL, CA 94903
TELEPHONE: (415) 507-9554
INTERNET ADDRESS:
woolsey@hr.house.gov



MAR 07 1997

HOME ALONE?

Dear Colleague:

Who cares for the children in your Congressional District? More often than you'd like to think, the answer is nobody.

More than 34 million mothers of children under the age of 13 are working outside the home. Unfortunately, only 13 million of these children are in a child care center or a licensed family day care home. Some more of these children are being cared for by a relative, but not as many as in the past. The percentage of employed mothers who are able to use a relative as their primary child care arrangement decreased from 33% in 1965 to 19% in 1990.

So, where are the rest of these children? Too often, they are home alone.

We don't know how many preschool-aged children are left alone while parents work, but we know that some are. We only hear about the ones whose lives end in tragedy. We do know that about 15 million elementary school children are left unattended every day. And we do know why many children are home alone:

AVAILABILITY - Child care is simply not available in many communities. A 1995 GAO study found shortages of child care for infants, for school-age children (before and after school programs), for children with disabilities, and for children whose parents work unconventional hours. And, with more mothers moving into the workforce through welfare reform, existing child care slots are shrinking.

AFFORDABILITY - Many families can't afford child care. "Cost, Quality, and Child Outcomes in Child Care Centers", a study of 100 child care centers in four states found that the centers spent an average of \$4,940 to provide services for each child. Costs like this strain most family budgets and, for some families, are simply impossible to pay.

QUALITY - When child care is available, too often it is of poor quality. When 225 child care centers were studied for the quality of care provided to infants and toddlers, the care in 40% of the centers was found to be of poor quality.

To increase the availability of good, affordable child care, I have introduced the Working Families Child Care Act. This bill is the House counterpart of the bill introduced by Sens. Dodd and Daschle as part of the Senate Leadership package. This legislation builds on the existing Child Care and Development Block Grant (CCDBG). It increases funds for CCDBG by \$1.4 billion, to make up the shortfall in child care funds estimated by the CBO. It also authorizes \$500 million for geographic areas within a state that have a shortage of child care services.

The Working Families Child Care Act improves the availability, affordability, and quality of child care services for children in your

[DOCID: f:h899ih.txt]

105th CONGRESS
1st Session

H. R. 899

To provide funds for child care for low-income working families, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

February 27, 1997

Ms. Woolsey introduced the following bill; which was referred to the
Committee on Education and the Workforce

A BILL

To provide funds for child care for low-income working families, and
for other purposes.

Be it enacted by the Senate and House of Representatives of the
United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.--This Act may be cited as the ``Working Families
Child Care Act of 1997''.

(b) Table of Contents.--The table of contents for this Act is as
follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Authorization of appropriations for child care for low-income
working families and for child care supply
shortages.

Sec. 4. Expenditures for child care service for low-income working
families and for child care supply
shortages.

Sec. 5. Report on access to child care by low-income working families.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Availability and affordability of quality child care is
a major obstacle for working parents who struggle to remain
self-sufficient.

(A) Compared to all other income groups, the
working poor are the least likely to receive assistance
with their child care costs.

(B) Low-income families spend 24 percent of their
household income on child care, whereas middle-income

families spend 6 percent of their household income on child care.

(C) 38 States have waiting lists for child care for the working poor. Among those States, Georgia has 41,000 individuals on its waiting list, Texas has 36,000 individuals on its waiting list, and Illinois and Alabama each have 20,000 individuals on their waiting lists.

(D) One survey of low-income families on a waiting list for subsidized child care found that of those families paying for child care out of their own funds, 71 percent faced serious debt or bankruptcy.

(E) Half of the States and the District of Columbia, even before the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2105) during the 104th Congress, increased the proportion of child care slots or dollars going to families on welfare, rather than to working poor families.

(2) The Congressional Budget Office estimates that there will be \$1,400,000,000 less expenditures of child care funds for working poor families as a result of the States implementing the work requirements imposed under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2105).

(3) Important types of child care are not available in certain States including infant care, school-age care, care for children with disabilities and special health care needs, and child care for parents with unconventional or shifting work hours.

(A) A 1995 State study by the Comptroller General of the United States found a shortage of child care for infants and children with special needs in inner cities, and a shortage of all types of child care in rural areas.

(B) Only one-third of the schools in low-income neighborhoods offer school-age child care, compared with 52 percent of schools in more affluent areas offering such care.

(C) Eighth-graders who are left home alone for 11 or more hours a week report significantly greater use of cigarettes, alcohol, and marijuana than eighth-graders who are not left home alone.

(D) Existing child care arrangements do not accommodate the work schedules of many working women. According to a 1995 statistic published by the Department of Labor, 14,300,000 workers, nearly 1 in 5 full-time workers work nonstandard hours, and more than 1 in 3 of those workers are women.

(E) Only 10 percent of child care centers and 6 percent of family day care providers offer child care on weekends. Yet one-third of working mothers with annual incomes below the poverty level and one-quarter of mothers with annual incomes above the poverty level but below \$25,000 work on weekends.

(F) Less than 30 percent of Head Start programs operate on a full-time, full-year basis.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR CHILD CARE FOR LOW-INCOME WORKING FAMILIES AND FOR CHILD CARE SUPPLY SHORTAGES.

Section 658B of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended--

(1) by inserting `` (excluding subparagraphs (E) and (F) of section 658E(c)(3)) '' after ``subchapter'',

(2) by inserting ``a)'' before ``There'', and

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

``(b) There is authorized to be appropriated to provide child care services under this chapter to satisfy the requirement specified in section 658E(c)(3)(E) \$1,400,000,000 for each of the fiscal years 1997 through 2002.

``(c) There is authorized to be appropriated to carry out child care activities under this chapter to satisfy the requirement specified in section 658E(c)(3)(F) \$500,000,000 for each of the fiscal years 1997 through 2002.''.

SEC. 4. EXPENDITURES FOR CHILD SERVICES CARE FOR LOW-INCOME WORKING FAMILIES AND FOR CHILD CARE SUPPLY SHORTAGES.

(a) Required State Expenditures.--Section 658E(c)(3) of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3)) is amended by adding at the end the following:

``(E) Child care for certain low-income working families.--A State shall ensure that 100 percent of amounts paid to the State out of funds appropriated under section 658B(b) with respect to each of the fiscal years 1997 through 2002 shall be used to provide child care services for families who have left the State program of assistance under part A of title IV of the Social Security Act because of employment, families that are at risk of becoming dependent on such assistance program, and low-income working families described in section subparagraph (D).

``(F) Child care supply shortages.--

``(i) In general.--A State shall ensure that 100 percent of amounts paid to the State out of funds appropriated under section 658B(c) with respect to each of the fiscal years 1997 through 2002 shall be used to carry out child care activities described in clause (ii) in geographic areas within the State that have a shortage, as determined by the State, in consultation with localities, of child care services.

``(ii) Child care activities described.--The child care activities described in this clause include the following:

``(I) Infant care programs.

``(II) Before- and after-school child care programs.

``(III) Resource and referral programs.

``(IV) Nontraditional work hours child care programs.

``(V) Extending the hours of prekindergarten programs to provide full-day services.

``(VI) Any other child care programs that the Secretary determines are appropriate.''.

(c) Conforming Amendment.--Section 658E(c)(3)(A) of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3)(A)) is amended by striking ``(D)'' and inserting ``(F)''.

SEC. 5. REPORT ON ACCESS TO CHILD CARE BY LOW-INCOME WORKING FAMILIES.

(a) State Reporting Requirement.--Section 658K(a)(2) of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858i(a)(2)) is amended--

(1) in subparagraph (D), by striking ``and'' at the end;

and

(2) by inserting after subparagraph (E), the following:

“(F) the total number of families described in section 658B(b) that were eligible for but did not receive assistance under this subchapter or under section 418 of the Social Security Act and a description of the obstacles to providing such assistance; and

“(G) the total number of families described in section 658B(b) that received assistance provided under this subchapter or under section 418 of the Social Security Act and a description of the manner in which that assistance was provided;”.

(b) Secretarial Reporting Requirement.--Section 658L of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended by inserting “, with particular emphasis on access of low-income working families,” after “public”.

<all>

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

D

Divider Title: _____

Rep. Pryce

H.R. 988

H.R. 988 – THE CHILD CARE AVAILABILITY INCENTIVE ACT
Representative Deborah Pryce (R-OH)

The Problem:

- The increase in single parent households, working mothers, and dual income families has seen a dramatic rise in the need for quality, affordable child care.
- As parents move from welfare to work, the demand for child care will increase.
- Access to child care is a problem for many due to prohibitive costs, lack of availability, and inconvenience.

The Solution:

- This legislation increases the availability of child care by encouraging businesses to provide child care services to their employees.
- The bill provides businesses a tax credit equal to 50 percent of the expenses paid or incurred, including depreciation allowances, to provide on-site or site-adjacent dependent care services.
- The child care must meet state and local requirements and be offered to employees on a non-discriminatory basis.
- Access to affordable child care at the work site allows parents to work and spend more time with their children. Employer involvement in child care often results in higher quality.
- Employers receive a credit for providing a significant employee benefit which results in increased worker productivity and decreased absenteeism, as well as reduced stressed for working parents and their children.
- The bill promotes family-friendly policies and addresses an urgent societal need.

The Cost:

- While the bill would decrease tax revenues, federal subsidies for child care are expected to decrease in the long term. In addition, studies have shown that employers who provide on-site day care experience higher productivity in the workplace as absenteeism decreases and workers are better able to concentrate on their jobs.
- A cost estimate was provided by Joint Committee on Taxation during the 104th Congress. According to JCT, the bill will cost \$841 million over five years.

CONTACT: Lori Teets – (202) 225-2015

104TH CONGRESS, 1ST SESSION

HOUSE

BILL ARCHER, TEXAS,
CHAIRMAN
PHILIP M. CRANE, ILLINOIS
WILLIAM M. THOMAS, CALIFORNIA
SAM M. GIBBONS, FLORIDA
CHARLES B. RANGEL, NEW YORK

SENATE

BOB PACKWOOD, OREGON,
VICE CHAIRMAN
WILLIAM V. ROTH JR., DELAWARE
ORRIN G. HATCH, UTAH
DANIEL PATRICK MOYNIHAN, NEW YORK
MAX BAUCUS, MONTANA

Congress of the United States

JOINT COMMITTEE ON TAXATION

1015 LONGWORTH HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6453

(202) 225-3621

KENNETH J. KIES
CHIEF OF STAFFMARY M. SCHMITT
DEPUTY CHIEF OF STAFF
(LAW)BERNARD A. SCHMITT
DEPUTY CHIEF OF STAFF
(REVENUE ANALYSIS)

APR 04 1995

Honorable Deborah Pryce
U.S. House of Representatives
Washington, DC 20515

Dear Mrs. Pryce:

This letter is in response to your request for a revenue estimate of H.R. 881, the "Child Care Availability Incentive Act".

Specifically, this bill would grant employers a tax credit equal to 50 percent of the expenses paid or incurred by the employer during the taxable year in providing dependent care services for employees. No tax credit would be allowed for expenses paid by the employer which were reimbursed by the employee for such dependent care services. For purposes of this proposal the term "qualified day care center" means any day care center (1) which is operated by the taxpayer exclusively for purposes of providing dependent care services to employees, (2) which is located on the business premises of the taxpayer or on a site adjacent to such premises, (3) which complies with all applicable laws and regulations of a State or unit of local government, and 4) the operation of which is part of a dependent care assistance program.

As requested in your letter of March 29, 1995 we are estimating this bill as if it were included in H.R. 1215 as passed by the Committee on Ways and Means. It is assumed that this bill would be effective for taxable years beginning after December 31, 1995. The effect on Federal fiscal year budget receipts is shown below.

Fiscal Years [Millions of Dollars]					
1996	1997	1998	1999	2000	1996-2000
-54	-120	-165	-219	-283	-841

I hope this information is helpful to you. If we can be of further assistance in this matter, please let me know.

Sincerely,

Kenneth J. Kies

Congress of the United States
House of Representatives
Washington, DC 20515

January 28, 1997

SUPPORT A FAMILY-FRIENDLY WORKPLACE

Dear Colleague:

We are writing to invite you to be an *original* co-sponsor of a bill we plan to introduce to increase access to child care for America's working parents.

As we begin a new Congress, we are reminded of the many demands associated with our work that take us away from our families, especially if we have young children. The challenges associated with balancing the responsibilities of work and family are not uniquely faced by Members of Congress. Most American families are working longer and harder to make ends meet, and few parents have the luxury of foregoing work and sacrificing an income to stay home with their children. As a result, obtaining quality and affordable child care is a priority for many American parents. And, with the implementation of welfare reform, more working parents will be searching for child care services.

Ideally, parents would have access to convenient, affordable day care that offers a healthy environment for their child and provides peace of mind for themselves. Studies have consistently shown that on-site or site-adjacent child care provided by employers improves worker productivity, cuts down on employee absenteeism, and makes for happier, healthier, less stressed parents and children.

For these reasons, we are introducing the Child Care Availability Incentive Act that offers significant tax incentives in the form of tax credits for businesses that provide licensed, on-site or site-adjacent child care for their employees. Employers will be eligible for a tax credit equal to fifty percent of the expenses they incur to provide such care. Child care available at the work site allows parents to spend more time with their children and offers benefits to be realized by both the employer and employee.

This legislation has received broad, bipartisan support in both the 103rd and 104th Congresses. We hope you will join us in supporting working families by adding your name as an original cosponsor of this bill. For additional information, or to add your name as a cosponsor, please call Lori Teets (Rep. Pryce) at 5-2015, or Pete Spiro (Rep. Roemer) at 5-3915.

Sincerely,


Deborah Pryce
Member of Congress


Tim Roemer
Member of Congress

105TH CONGRESS
1ST SESSION

H. R. 788

IN THE HOUSE OF REPRESENTATIVES

Ms. PRYCE of Ohio introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to allow employers a credit for a portion of the expenses of providing dependent care services to employees.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Child Care Availability
5 Incentive Act".

6 **SEC. 2. CREDIT FOR EMPLOYER EXPENSES IN PROVIDING**
7 **CERTAIN DEPENDENT CARE SERVICES.**

8 (a) **GENERAL RULE.**—Subpart D of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 "SEC. 43D. EMPLOYER EXPENSES IN PROVIDING DEPEND-
4 ENT CARE SERVICES.

5 "(a) GENERAL RULE.—For purposes of section 38,
6 the employer day care center credit determined under this
7 section for the taxable year is the amount determined
8 under subsection (b) with respect to each qualified day
9 care center of the taxpayer.

10 "(b) CREDIT PER FACILITY.—For purposes of this
11 section—

12 "(1) IN GENERAL.—The amount determined
13 under this subsection for any taxable year with re-
14 spect to any qualified day care facility of the tax-
15 payer is 50 percent of the excess (if any) of—

16 "(A) the expenses paid or incurred by the
17 taxpayer during the taxable year in providing
18 dependent care services at such facility for em-
19 ployees, over

20 "(B) the aggregate amount received or ac-
21 crued during the taxable year by the employer
22 for such services.

23 "(2) DEPRECIATION ALLOWANCES.—For pur-
24 poses of paragraph (1), depreciation allowances
25 under section 167 shall be treated as expenses.

1 “(c) QUALIFIED DAY CARE CENTER.—For purposes
2 of this section, the term ‘qualified day care center’ means
3 any day care center—

4 “(1) which is operated by the taxpayer exclu-
5 sively for purposes of providing dependent care serv-
6 ices to employees,

7 “(2) which is located on the business premises
8 of the taxpayer or on a site adjacent to such prem-
9 ises,

10 “(3) which complies with all applicable laws and
11 regulations of a State or unit of local government,
12 and

13 “(4) the operation of which is part of a depend-
14 ent care assistance program (as defined in section
15 129(d)).”

16 (b) CREDIT MADE PART OF GENERAL BUSINESS
17 CREDIT.—Subsection (b) of section 38 of such Code is
18 amended by striking “plus” at the end of paragraph (11),
19 by striking the period at the end of paragraph (12) and
20 inserting “, plus”, and by adding at the end thereof the
21 following new paragraph:

22 “(13) the employer day care center credit deter-
23 mined under section 45D(a).”

1 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of
2 such Code is amended by adding at the end thereof the
3 following new subsection:

4 “(d) CREDIT FOR EMPLOYER DAY CARE CENTER
5 EXPENSES.—No deduction shall be allowed for that por-
6 tion of the expenses referred to in section 45D(b)(1)(A)
7 otherwise allowable as a deduction for the taxable year
8 which is equal to the amount of the credit determined for
9 such taxable year under section 45D(a).”

10 (d) CLERICAL AMENDMENT.—The table of sections
11 for subpart D of part IV of subchapter A of chapter 1
12 of such Code is amended by adding at the end the follow-
13 ing new item:

“Sec. 45D. Employer expenses in providing dependent care serv-
ices.”

14 (e) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 the date of the enactment of this Act.

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

E

Divider Title: _____

Senator Specter

S. 978

(2) No extractive logging shall be permitted.

(3) No improvements for the purpose of extractive logging shall be permitted.

(b) **RESTRICTION OF MANAGEMENT ACTIVITIES IN ROADLESS AREAS.**—With respect to Roadless Areas on Federal lands except military installations, the following prohibitions shall apply:

(1) No roads shall be constructed or reconstructed.

(2) No extractive logging shall be permitted.

(3) No improvements for the purpose of extractive logging shall be permitted.

(c) **RESTRICTION OF MANAGEMENT ACTIVITIES IN WATERBODY PROTECTION AREAS.**—With respect to Waterbody Protection Areas on Federal lands except military installations, the following prohibitions shall apply:

(1) No roads shall be constructed or reconstructed.

(2) No extractive logging shall be permitted.

(3) No improvements for the purpose of extractive logging shall be permitted.

(d) **RESTRICTION OF MANAGEMENT ACTIVITIES IN SPECIAL AREAS.**—With respect to Special Areas on Federal lands, the following prohibitions shall apply:

(1) No roads shall be constructed or reconstructed.

(2) No extractive logging shall be permitted, and

(3) No improvements for the purpose of extractive logging shall be permitted.

(e) **RESTRICTION OF MANAGEMENT ACTIVITIES IN FEDERAL BOUNDARY AREAS.**—With respect to Federal Boundary Areas on Federal lands, the following prohibitions shall apply:

(1) No roads shall be constructed or reconstructed.

(2) No extractive logging shall be permitted, and

(3) No improvements for the purpose of extractive logging shall be permitted.

(f) **MAINTENANCE OF EXISTING ROADS.**—The above restrictions on the reconstruction of roads on Federal lands in Ancient Forests, Roadless Areas, Waterbody Protection Areas, Special Areas, and Federal Boundary Areas, does not prohibit the maintenance of an improved road, or any road accessing private inholdings, with the exception that any roads which the Secretary concerned determines to have been abandoned before the enactment of this act shall not be maintained or reconstructed.

(g) **ENFORCEMENT.**—

(1) **PURPOSE AND FINDING.**—The purpose of this subsection is to foster the widest possible enforcement of this section. Congress finds that all people of the United States are injured by actions on lands to which this section applies.

(2) **FEDERAL ENFORCEMENT.**—The provisions of this section shall be enforced by the Secretary concerned and the Attorney General of the United States against any person who violates this section.

(3) **CITIZEN SUITS.**—Any citizen harmed by a violation of this Act may enforce any provision of this section by bringing an action for declaratory judgment, temporary restraining order, injunction, statutory damages, and other remedies against any alleged violator including the United States, in any district court of the United States.

(4) **STANDARD OF PROOF.**—The standard of proof in all actions brought under this subsection shall be the preponderance of the evidence and the trial shall be de novo.

(5) **DAMAGE AWARD.**—The court, after determining a violation of this section, shall impose a damage award of not less than \$5,000, shall issue one or more injunctions and other equitable relief, and shall award to the plaintiff reasonable costs of litigation including

attorney's fees, witness fees and other necessary expenses. The damage award shall be paid by the violator of violators designated by the court to the U.S. Treasury. The damage award shall be paid from the U.S. Treasury, as provided by Congress under section 1304 of title 31, United States Code, within 40 days after judgment to the person or persons designated to receive it, to be applied in protecting or restoring native biodiversity in or adjoining Federal land. Any award of costs of litigation and any award of attorney fees shall be paid within 40 days after judgment.

(6) **WAIVER.**—The United States, including its agents and employees waives its sovereign immunity in all respects in all actions under this subsection. No notice is required to enforce this subsection.

By Mr. SPECTER:

S. 978. A bill to amend the Internal Revenue Code of 1986 to allow employers a credit for a portion of the expenses of providing dependent care services to employees, and for other purposes.

THE AFFORDABLE CHILD CARE ACT

Mr. SPECTER. Mr. President, I have sought recognition to introduce the Affordable Child Care Act, which will ease the financial burden of child care for working families by reducing the cost of day care. I would like to commend Congressman JON FOX from Pennsylvania's 13th District, who has sponsored this legislation in the House. Our bill would provide a tax credit for employers who provide on-site or site-adjacent child care to their employees in order to reduce the child care expenses of the employee.

Many employees have expressed support for on-site day care facilities, which allow parents to spend more time with their children during the day, such as over the lunch hour. On-site child care may not be the best option for all families. Many families rely on relatives, centers operated by churches and other religious organizations, or make other arrangements to provide care for their children while they work. However, it is my view that this bill represents a good start toward reducing the cost of child care for many Americans.

The need for affordable and accessible day care is critical given the increasing numbers of working parents and dual-income families in the United States. According to the Bureau of the Census, in 1975, 31 percent of married mothers with a child younger than age 1 participated in the labor force. By 1995, that figure had risen to 59 percent. Almost 64 percent of married mothers and 53 percent of single mothers with children younger than age six participated in the labor force in 1995.

Yet, as reported by the Pittsburgh Post-Gazette on June 5, 1996, only 13 percent of all major U.S. companies provide some form of on-site day care. Further, it costs at least \$1 million to start up such a day care center. About 70 percent of working parents missed at least 1 work day in the past year because of child-related problems, according to Work Family Directions of

Boston, a company that advises firms on how to improve work and family programs. A 1991 estimate by the Child Care Action Committee, a national child care advocacy group, found that U.S. businesses lose \$3 billion a year because of child care related absences.

The cost of child care for families is also significant. A 1995 report by the Census Bureau showed that in 1993, the average weekly child care cost per arrangement paid by families with employed mothers was \$57. Parents using organized child care facilities paid the most per arrangement at around \$65 per week. Child care is even more expensive in metropolitan areas than nonmetropolitan areas, averaging \$80 per week versus \$55 per week. I know that licensed day care centers in some urban areas cost as much as \$200 per week, which is quite a burden on families which need the second income. These figures serve to underscore the need for action on the part of the Federal Government to provide the necessary assistance to our Nation's working families.

Accordingly, the legislation I am proposing today would provide a tax credit to businesses that provide licensed, on-site or site-adjacent child care for their employees. Employers would be eligible for a tax credit equal to 50 percent of the net cost of providing dependent care services at a child day care facility for employees. This bill also provides, however, that no credit shall be allocated unless the employer certifies that the amount of such a credit is passed on to the employees using the provider day care in the form of reduced child care costs.

The Affordable Child Care Act complements my recent efforts to assist working families in a number of areas. When Congress debated welfare reform in 1995 and 1996, I worked to ensure that adequate funds were provided for child care, a critical component for welfare mothers who would be required to work to receive new limited welfare benefits. I am pleased that the welfare reform bill that became law provides \$20 billion in child care funding over a 6-year period.

Providing health insurance for children is also a top priority of mine, and I have sponsored legislation to establish a discretionary pilot program to cover the 4.2 million children of the working poor, who are not eligible for Medicaid but whose parents cannot afford private insurance. I am also a cosponsor of legislation introduced by my colleagues, Senators CHAFFET and ROCKEFELLER, to expand the Medicaid Program to cover children whose families earn up to 150 percent of the Federal poverty level.

To encourage the adoption of children into healthy and stable families, last April I introduced the Adoption Promotion Act of 1996 (S. 1715) with 13 other Senators to provide tax credits for families that adopt. Subsequently, a broader piece of tax legislation, the Small Business Job Protection Act of

Continues →

1996, was passed by Congress and signed into law on August 20, 1996. This act included a \$5,000 adoption tax credit for qualified adoption expenses and a \$6,000 tax credit for special needs adoptions, and was much like our legislation. I recently reintroduced legislation to increase the tax credit for special needs adoptions for \$7,500, and permit penalty-free withdrawals from Individual Retirement Accounts up to \$2,000 for adoption expenses.

In conclusion, Mr. President, encouraging businesses to provide affordable child care for their employees will help provide peace of mind to those in our Nation struggling to balance career and family. I urge my colleagues to join me in cosponsoring this important legislation, and I urge its swift adoption.

By Mr. SPECTER:

S. 979. A bill to provide a tax credit to families with elderly family members living in the family home; to the Committee on Finance.

TAX CREDIT LEGISLATION

Mr. SPECTER. Mr. President, I have sought recognition to introduce legislation that would provide a \$2,500 tax credit for individuals or families with elderly family members living in the family home. As we all know, our Nation's population is living longer. With advances in medical treatment, improvements in the Nation's nutrition, and the development of drugs to combat infectious diseases, our Nation's elderly population is expected to more than double by the year 2050. This demographic change presents a unique challenge to America, and it is our duty to work together to ensure that our Nation's elderly and every generation of American families maintain a high quality of life.

Since the Great Depression, our Government has instituted several extremely successful social insurance programs to protect the elderly. The Social Security Program has provided an income security net, and the Medicare Program has insured that senior citizens are afforded access to medical care. Many families, however, are faced with difficult decisions when elderly family members are no longer able to live alone. Many of these seniors are brought into the family home. Others are placed in institutional nursing facilities.

While multigenerational families are not a new phenomenon in America, a new survey released by the National Alliance for Caregiving illustrates how contemporary multigenerational families are faced with extraordinary pressures. Nearly two of three individuals who provide care to elderly family members are employed full or part time, and about half have reported that their caretaking duties have made them late for work, forced them to come home early or to take time off. These caregivers spend an average of 18 hours a week taking care of loved ones, grocery shopping, managing their

medications, and helping with transportation and personal care. Many people needing care are chronically ill. More than one in five caregivers, or about 5 million households nationwide, take care of someone with Alzheimer's disease, confusion, dementia or forgetfulness.

Today, millions of American families face a no-win situation when an elderly family member is no longer able to live independently. Taking a loved one into the family home may be much desired instead of having to see a person impoverished by the Medicaid eligibility rules and left a ward of the State, living in a nursing home. Obviously, on the other hand, very few families can afford to pay for private nursing home care themselves. But, bringing an elderly relative into the family home is costly. Our public policy should recognize this dilemma and support those loving families seeking to care for the elderly with their own resources in their own homes.

Currently, there are more than 33.5 million Americans who are 65 years of age and older. In my own State of Pennsylvania, there are 2 million individuals 65 years of age and older. Many of these seniors live independent lives. However, nationwide approximately 3.9 million of our elderly citizens live with relatives other than their spouse and an additional 1.7 million seniors live in nursing homes. My amendment would provide a \$2,500 tax credit to individuals or families who care for an elderly family member in the family home. In order to qualify for this tax credit, the elderly family member would have to be at least 65 years old, would have to reside with their family at least half of the taxable year, and must have been eligible under current law to be claimed as a dependent on the family's tax return.

With this amendment, families will be given the vital assistance necessary to provide care to seniors in their homes. It will also provide flexibility to families who would like to provide care to family members in their home rather than place these seniors in institutionalized care facilities, but are otherwise unable to afford this financial commitment. In Congress, we have made many speeches about strengthening the American family and about providing support for our Nation's senior citizens. This bill would accomplish both of these important goals. I urge my colleagues to join with me in support of this bill to find real solutions to the real problems faced by the growing numbers of caregivers and senior citizens in America.

By Mr. DURBIN (for himself, Mr. KERRY, Mr. FEINGOLD, Mrs. FEINSTEIN, and Mr. WELLSTONE):

S. 980. A bill to require the Secretary of the Army to close the U.S. Army School of the Americas; to the Committee on Armed Services.

THE SCHOOL OF THE AMERICAS CLOSURE ACT OF 1997

Mr. DURBIN. Mr. President, I rise today to call upon my colleagues to support a bill to close the School of the Americas.

The School of the Americas is an institute that has outlived its usefulness and its purpose. SOA was established over 50 years ago. Its mission is to provide military education and training to military personnel of Central America, South America, and Caribbean countries. The training provided at the school in tactical intelligence, infantry tactics, combat skills, and battle planning was designed in accordance with U.S. strategy of a bygone era: to create a Latin and South American staging area to thwart the Communist threat. But times have changed and there is no longer a Soviet bloc threatening to attack the United States. Unfortunately, SOA has not successfully adapted to the great changes in the world since the 1992 breakup of the Soviet Union. Despite attempts made over the past couple of years to update the curriculum and improve the selection process for students and the quality of the teaching staff, SOA remains an anachronism.

In the post-cold-war era, we need to strengthen civilian institutions in Latin America and help these countries continue to reform their militaries. This region contains some of the most fragile democracies which need our support in encouraging democratically elected governments, the role of civilian institutions and economic stability. Our focus should be on supporting these nascent civilian governments and helping them shift authority away from their militaries.

I also believe the school should be closed because of its past links to numerous military personnel who have committed some of the most heinous crimes of recent memory. SOA graduates include: Panamanian dictator and drug dealer, Manuel Noriega; 19 Salvadoran soldiers linked to the 1989 murder of 6 Jesuit priests, their housekeeper and her daughter; El Salvador death squad leader, Roberto D'Aubuisson; Argentinian dictator, Leopoldo Galtieri; three of the five officers involved in the 1980 rape and murder of four United States churchwomen in El Salvador; and 10 of the 12 officers responsible for the murder of 800 civilians in the El Salvadoran village, El Mozote. These criminals, multiple murderers, and rapists are former students and graduates of the School of the Americas where they received their military and counterinsurgency training.

The U.S. military has readily admitted that these SOA graduates were guilty of these atrocities. These admissions are an embarrassment to the United States and to our reputation as a leader in promoting human rights throughout the world.

In addition, recently the Pentagon released the training manuals used at

105TH CONGRESS
1ST SESSION

S. 978

To amend the Internal Revenue Code of 1986 to allow employers a credit for a portion of the expenses of providing dependent care services to employees, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 27, 1997

Mr. SPECTER introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow employers a credit for a portion of the expenses of providing dependent care services to employees, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Affordable Child Care
5 Act".

6 **SEC. 2. PURPOSE.**

7 The purpose of this Act is to reduce costs to employ-
8 ees for employer-provided on-site dependent care services

1 by providing employers with a credit against income tax
 2 for a portion of the costs incurred by employers in provid-
 3 ing those services.

4 **SEC. 3. CREDIT FOR EMPLOYER EXPENSES IN PROVIDING**
 5 **CERTAIN DEPENDENT CARE SERVICES.**

6 (a) GENERAL RULE.—Subpart D of part IV of sub-
 7 chapter A of chapter 1 of the Internal Revenue Code of
 8 1986 (relating to business related credits) is amended by
 9 adding at the end the following new section:

10 **“SEC. 45D. EMPLOYER EXPENSES IN PROVIDING DEPEND-**
 11 **ENT CARE SERVICES.**

12 “(a) GENERAL RULE.—For purposes of section 38,
 13 the employer day care center credit determined under this
 14 section for the taxable year is the amount determined
 15 under subsection (b) with respect to each qualified day
 16 care center of the taxpayer.

17 “(b) CREDIT PER FACILITY.—For purposes of this
 18 section—

19 “(1) IN GENERAL.—The amount determined
 20 under this subsection for any taxable year with re-
 21 spect to any qualified day care facility of the tax-
 22 payer is 50 percent of the excess (if any) of—

23 “(A) the expenses paid or incurred by the
 24 taxpayer during the taxable year in providing

1 dependent care services at such facility for em-
2 ployees, over

3 “(B) the aggregate amount received or ac-
4 crued during the taxable year by the employer
5 for such services.

6 “(2) DEPRECIATION ALLOWANCES.—For pur-
7 poses of paragraph (1), depreciation allowances
8 under section 167 shall be treated as expenses.

9 “(c) QUALIFIED DAY CARE CENTER.—For purposes
10 of this section, the term ‘qualified day care center’ means
11 any day care center—

12 “(1) which is operated by or for the taxpayer
13 exclusively for purposes of providing affordable de-
14 pendent care services to a fair cross section of such
15 taxpayer’s employees,

16 “(2) which is located on the business premises
17 of the taxpayer or on a site adjacent to such prem-
18 ises, and

19 “(3) which complies with all applicable laws and
20 regulations of a State or unit of local government.

21 In the case of a day care center operated jointly by a
22 group of employers, the requirement of paragraph (1)
23 shall not fail to be treated as met if such requirement is
24 met with respect to each employer in such group.

1 “(d) CREDIT MUST REDUCE EMPLOYEE COSTS.—No
 2 credit shall be allowed under this section with respect to
 3 any qualified day care center of the taxpayer for any tax-
 4 able year unless the taxpayer certifies to the Secretary for
 5 such year that the amount of such credit is passed on to
 6 employees using such center in the form of reduced costs.”

7 (b) CREDIT MADE PART OF GENERAL BUSINESS
 8 CREDIT.—Subsection (b) of section 38 of such Code is
 9 amended by striking “plus” at the end of paragraph (11),
 10 by striking the period at the end of paragraph (12) and
 11 inserting “, plus”, and by adding at the end the following
 12 new paragraph:

13 “(13) the employer day care center credit deter-
 14 mined under section 45D(a).”

15 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of
 16 such Code is amended by adding at the end the following
 17 new subsection:

18 “(d) CREDIT FOR EMPLOYER DAY CARE CENTER
 19 EXPENSES.—No deduction shall be allowed for that por-
 20 tion of the expenses referred to in section 45D(b)(1)(A)
 21 otherwise allowable as a deduction for the taxable year
 22 which is equal to the amount of the credit determined for
 23 such taxable year under section 45D(a).”

24 (d) CONFORMING AMENDMENT.—The table of sec-
 25 tions for subpart D of part IV of subchapter A of chapter

1 1 of such Code is amended by adding at the end the follow-
2 ing new item:

“Sec. 45D. Employer expenses in providing dependent care serv-
ices.”

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.

○

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

F

Divider Title: _____

Senator Roberts

S. 548

United States Senate

WASHINGTON, DC 20510-1605

March 10, 1997

Dear Colleague:

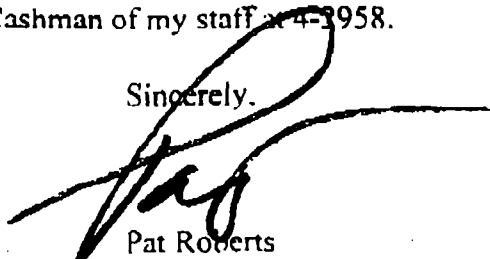
The demand for quality, affordable child care has soared over the past decade. Changes in family structure, larger numbers of working mothers, and significant changes in social policy have helped to drive this increase. In fact, 60 percent of all preschool-aged kids are now participating in a child care or early education program. This places a growing strain on the parents of these 13 million children who are trying to juggle the constant demands of work and family.

To address this critical family issue I will introduce the "Child Care Expansion Act" later this week. Specifically, this legislation includes:

- A major expansion of the Child and Dependent Care Tax Credit for working parents up to a maximum of \$1,620 annually. This bill increases employment-related expenses from \$2,400 to \$3,600 for one child and from \$4,800 to \$5,400 for two or more children and allows the maximum 30 percent credit for all taxpayers with incomes below \$20,000. The credit is phased out for higher income wage earners.
- A short-term flexible grant program to encourage small businesses to work together to provide day care services for their employees. This is a three-year program that will allow local businesses to receive funds for start-up costs, training, scholarships, or other related activities. A maximum of \$50,000 will be made available on a matching grant basis to encourage businesses to provide self-sustaining facilities well into the future.
- Expansion of IRS rules to allow more parents to deduct home office expenses from their taxes. This legislation allows an exception to the "exclusive use" rule permitting mixed use of space for business and personal purposes in the case of taxpayers who conduct home-based business while caring for dependents.
- Encouragement for older Americans already participating in federally-supported programs to provide child care services in their communities.

If you are interested in cosponsoring or have any further questions, please let me know or have your staff contact Heidi Cashman of my staff at 4-3958.

Sincerely,

Pat Roberts
U.S. Senator

United States Senate

WASHINGTON, DC 20510-1605

Child Care Expansion Act Senator Pat Roberts February 21, 1997

One of the greatest challenges for single parents and two-wage earner families is finding dependable, affordable child care. This places a growing strain on parents who are trying to juggle the constant demands of work and family. In 1995, 60% of children from birth to five years of age who had not yet enrolled in school—13 million children—participated in a non-parental child care or early education program.

Child care is not always available--and affordability may limit choices for many families. Occupation, employer size, and geographic location are just a few of the many barriers that block access to quality child care. In the fall of 1993, the average family with an employed mother and a child under age five spent about \$79 per week for child care. This represents an increase of about 10% over the \$72 that families spent in the Fall of 1990. On average, these families spent about 8% of their monthly income on child care. These recent price increases, along with significant changes in social policy, suggest that more demands will be placed on the supply of child care in the future and parental expenditures may rise as a result.

Congress has made great progress toward improving child care. In 1990, Congress passed the Omnibus Budget Reconciliation Act, P.L. 101-508, which created a uniform federal child care system and a seamless system of child care nationwide. Last year, as part of P.L. 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act, Congress included additional funding to subsidize child care for low income families, including those working their way off welfare rolls. While these are certainly major steps, a gap still remains for those middle-to low-income families who do not receive welfare benefits but continue to require quality, affordable child care.

This legislation takes the first step toward removing barriers to quality child care by expanding child care options for working families and encouraging businesses to join together to provide day care for their employees. Specifically, this legislation expands tax credits for working parents up to a maximum of \$1,620 annually, provides grant funding to encourage small businesses to provide day care services, eases rules to allow more parents to deduct home office expenses from their taxes, and encourages retired seniors to re-enter the workforce as child care providers.

PROPOSALS:

S548

• **Small Business Child Care Incentive:**

Small businesses generally do not enjoy the economies of scale or the resources required to start or support a child care center. This proposal will provide small businesses with an incentive to join forces and begin providing child care for their employees. The legislation establishes a flexible grant program that will make funds available to businesses, non-profit organizations, and local governments that wish to join together to offer child care to their employees. Up to \$50,000 per year, will be available on a matching grant basis and may be used for activities such as start-up costs, technical assistance, training, low-income scholarships, or other activities that will expand access to child care. Preference will be given to cooperative efforts that join together in areas where child care is not readily available. Grant recipients will be required to submit annual reports and will be subject to state review to ensure that safety and health standards are followed.

This is a short-term demonstration program designed to be a catalyst for small businesses to establish child care programs in areas where child care shortages exist. This grant program builds into the existing infrastructure and will meet what is anticipated to be an increased demand for child care given the work requirements included in the recently enacted welfare reform legislation.

• **Child and Dependent Care Tax Credit:**

The Child and Dependent Care Tax Credit (CDCTC) is the largest source of federal support for child care. This is a non-refundable tax credit for up to 30% of a limited amount of employment-related child care expenses on behalf of children under age 13 (or an incapacitated dependent or spouse). Eligible employment-related expenses are limited to \$2,400 for one qualifying dependent or \$4,800 if there are two or more. The percentage used to calculate the credit depends on a taxpayer's Adjusted Gross Income (AGI). A taxpayer whose AGI is \$10,000 or less is allowed a credit equal to 30% of qualified work-related expenses. The credit percentage is reduced by 1% for each additional \$2,000 in AGI above \$10,000. However, the floor of the phase-out is 20%, and all taxpayers whose AGI is greater than \$28,000 can take a 20% credit for qualified expenses.

This legislation will expand the CDCTC by increasing the employment-related expenses from \$2,400 to \$3,600 for one child and from \$4,800 to \$5,400 for two or more qualifying dependents. Further, the legislation would allow the maximum 30% credit for all taxpayers with an AGI below \$20,000, double the current figure. Taxpayers would receive the credit as follows:

- Up to \$20,000 AGI: 30%
- \$20,000 to \$40,000: Credit is phased down at the rate of 1% per \$2,000 of AGI to 20%.
- \$40,000 to \$65,000: 20%

- \$65,000 to \$75,000: Credit is phased out for higher income taxpayers (\$75,000 for single income taxpayers and \$110,000 for dual income taxpayers.)
- **Expand Home Office Deduction:**

People who do paid work from the home so that they can care for their children are sometimes denied any meaningful deduction for their legitimate home-office expenses under the Internal Revenue Code. Not only is this result inequitable for these taxpayers, but it also puts them at a competitive disadvantage with their colleagues who rent or own workspace away from the home. Furthermore, it discourages people who want to spend more time with their children from establishing home-based business or from making a home-based work arrangement with their employer.

This legislation allows an exception to the "exclusive use" rule permitting mixed use of space for business and personal purposes in the case of taxpayers who conduct home-based businesses while caring for dependents. This allows taxpayers who need to use the family room or the guest bedroom as a work room to qualify for the home-office deduction under Section 280A of the Code, which requires that the space be used exclusively for the home business.

- **Utilize Existing Workforce**

Older Americans are a valuable resource in our society. As many as 5.4 million older Americans—one in seven of those not currently working—report that they are willing and able to work but do not have a job. Although older workers tend to be dependable, experienced, productive, and absent less from work than their younger counterparts, negative age-related stereotypes continue to prevent many qualified older applicants from obtaining jobs. In addition, when forced out of work by lay-offs or downsizing, older adults have more difficulty re-entering the workforce.

This bill encourages older workers already participating in federally-supported programs under the Community Service Employment Program and the Domestic Volunteer Service Act to provide child care services in communities that have a demonstrated need for such services.

FINANCING:

This proposal phases out the child care tax credit for high income wage earners, defined as single wage earners with AGI above \$75,000 and dual wage earners with AGI above \$110,000.

105TH CONGRESS
1ST SESSION

S. 548

To expand the availability and affordability of quality child care through the offering of incentives to businesses to support child care activities.

IN THE SENATE OF THE UNITED STATES

APRIL 10, 1997

Mr. ROBERTS introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To expand the availability and affordability of quality child care through the offering of incentives to businesses to support child care activities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Child Care Expansion
5 Act".

6 **TITLE I—GENERAL EXPANSION**
7 **OF ACTIVITIES**

8 **SEC. 101. SMALL BUSINESS CHILD CARE GRANT PROGRAM.**

9 (a) **ESTABLISHMENT.**—The Secretary of Health and
10 Human Services (hereafter referred to in this section as

1 the "Secretary") shall establish a program to award
2 grants to States to assist States in providing funds to en-
3 courage the establishment and operation of employer oper-
4 ated child care programs.

5 (b) APPLICATION.—To be eligible to receive a grant
6 under this section, a State shall prepare and submit to
7 the Secretary an application at such time, in such manner,
8 and containing such information as the Secretary may re-
9 quire, including an assurance that the State will provide
10 the funds required under subsection (e).

11 (c) AMOUNT OF GRANT.—The Secretary shall deter-
12 mine the amount of a grant to a State under this section
13 based on the population of the State as compared to the
14 population of all States.

15 (d) USE OF FUNDS.—

16 (1) IN GENERAL.—A State shall use amounts
17 provided under a grant awarded under this section
18 to provide assistance to small businesses located in
19 the State to enable such small businesses to estab-
20 lish and operate child care programs. Such assist-
21 ance may include—

22 (A) technical assistance in the establish-
23 ment of a child care program;

24 (B) assistance for the start-up costs relat-
25 ed to a child care programs;

1 (C) assistance for the training of child care
2 providers;

3 (D) scholarships for low-income wage earn-
4 ers;

5 (E) the provision of services to care for
6 sick children or to provide care to school aged
7 children;

8 (F) the entering into of contracts with
9 local resource and referral or local health de-
10 partments;

11 (G) assistance for any other activity deter-
12 mined appropriate by the State; or

13 (H) care for children with disabilities.

14 (2) APPLICATION.—To be eligible to receive as-
15 sistance from a State under this section, a small
16 business shall prepare and submit to the State an
17 application at such time, in such manner, and con-
18 taining such information as the State may require.

19 (3) PREFERENCE.—

20 (A) IN GENERAL.—In providing assistance
21 under this section, a State shall give priority to
22 applicants that desire to form consortium to
23 provide child care in geographic areas within
24 the State where such care is not generally avail-
25 able or accessible.

1 (B) CONSORTIUM.—For purposes of sub-
2 paragraph (A), a consortium shall be made up
3 of 2 or more entities which may include busi-
4 nesses, nonprofit agencies or organizations,
5 local governments, or other appropriate entities.

6 (4) LIMITATION.—With respect to grant funds
7 received under this section, a State may not provide
8 in excess of \$50,000 in assistance from such funds
9 to any single applicant. A State may not provide as-
10 sistance under a grant to more than 10 entities.

11 (e) MATCHING REQUIREMENT.—To be eligible to re-
12 ceive a grant under this section a State shall provide as-
13 surances to the Secretary that, with respect to the costs
14 to be incurred by an entity receiving assistance in carrying
15 out activities under this section, such entity will make
16 available (directly or through donations from public or pri-
17 vate entities) non-Federal contributions to such costs in
18 an amount equal to—

19 (1) for the first fiscal year in which the entity
20 receives such assistance, not less than 25 percent of
21 such costs (\$1 for each \$3 of assistance provided to
22 the entity under the grant);

23 (2) for the second fiscal year in which an entity
24 receives such assistance, not less than 33⅓ percent

1 of such costs (\$1 for each \$2 of assistance provided
2 to the entity under the grant); and

3 (3) for the third fiscal year in which an entity
4 receives such assistance, not less than 50 percent of
5 such costs (\$1 for each \$1 of assistance provided to
6 the entity under the grant).

7 (f) REQUIREMENTS OF PROVIDERS.—To be eligible
8 to receive assistance under a grant awarded under this
9 section a child care provider shall comply with all applica-
10 ble State and local licensing and regulatory requirements
11 and all applicable health and safety standards in effect
12 in the State.

13 (g) ADMINISTRATION.—

14 (1) STATE RESPONSIBILITY.—A State shall
15 have responsibility for administering the grant
16 awarded under this section and for monitoring enti-
17 ties that receive assistance under such grant.

18 (2) AUDITS.—A State shall require that each
19 entity receiving assistance under a grant awarded
20 under this section conduct of an annual audit with
21 respect to the activities of the entity. Such audits
22 shall be submitted to the State.

23 (3) MISUSE OF FUNDS.—

24 (A) REPAYMENT.—If the State determines,
25 through an audit or otherwise, that an entity

1 receiving assistance under a grant awarded
2 under this section has misused such assistance,
3 the State shall notify the Secretary of such mis-
4 uses. The Secretary, upon such a notification,
5 may seek from such an entity the repayment of
6 an amount equal to the amount of any misused
7 assistance plus interest.

8 (B) APPEALS PROCESS.—The Secretary
9 shall by regulation provide for an appeals proc-
10 ess with respect to repayments under this para-
11 graph.

12 (h) REPORTING REQUIREMENT.—

13 (1) STUDY.—Not later than 2 years after the
14 date on which the Secretary first provides grants
15 under this section, the Secretary shall conduct a
16 study to determine—

17 (A) the capacity of entities to meet the
18 child care needs of communities within a State;

19 (B) the kinds of partnerships that are
20 being formed with respect to child care at the
21 local level; and

22 (C) who is using the programs funded
23 under this section and the income levels of such
24 individuals.

1 (2) REPORT.—Not later than 28 months after
2 the date of enactment of this Act, the Secretary
3 shall prepare and submit to the appropriate commit-
4 tees of Congress, a report concerning the effective-
5 ness of the grant programs under this section.

6 (i) DEFINITION.—As used in this section, the term
7 “small business” means an employer who employed an av-
8 erage of at least 2 but not more than 50 employees on
9 business days during the preceding calendar year.

10 (j) AUTHORIZATION OF APPROPRIATIONS.—There is
11 authorized to be appropriated to carry out this section,
12 \$25,000,000 for each of the fiscal years 1998 through
13 2000.

14 (k) TERMINATION OF PROGRAM.—The program es-
15 tablished under subsection (a) shall terminate on Septem-
16 ber 30, 2001.

17 **SEC. 102. PROJECTS FOR CHILD CARE BY OLDER INDIVID-**
18 **UALS.**

19 (a) COMMUNITY SERVICE EMPLOYMENT PRO-
20 GRAM.—Section 502 of the Older Americans Act of 1965
21 (42 U.S.C. 3056) is amended by adding at the end the
22 following:

23 “(f) In carrying out this title, the Secretary, and any
24 entity entering into an agreement under this title, shall
25 take necessary steps, including the development of special

1 projects, where appropriate, to encourage the fullest par-
 2 ticipation of eligible individuals (including eligible individ-
 3 uals described in subsection (e), as appropriate), in
 4 projects to provide child care under this title. Such child
 5 care projects shall, to the extent practicable, be carried
 6 out in communities with child care shortages, as deter-
 7 mined by the appropriate State agency designated under
 8 section 658D(a) of the Child Care and Development Block
 9 Grant Act of 1990 (42 U.S.C. 9858b(a)).”.

10 (b) DOMESTIC VOLUNTEER SERVICE ACT.—Title IV
 11 of the Domestic Volunteer Service Act of 1973 (42 U.S.C.
 12 5043 et seq.) is amended by adding at the end the follow-
 13 ing:

14 **“SEC. 427. PARTICIPATION IN PROJECT TO PROVIDE CHILD**
 15 **CARE.**

16 “(a) IN GENERAL.—In carrying out this Act, the Di-
 17 rector, and any recipient of a grant or contract under this
 18 Act, shall take necessary steps, including the development
 19 of special projects, where appropriate, to encourage the
 20 fullest participation of individuals 55 and older, in projects
 21 to provide child care under this Act. Such child care
 22 projects shall, to the extent practicable, be carried out in
 23 communities with child care shortages, as determined by
 24 the appropriate State agency designated under section

1 658D(a) of the Child Care and Development Block Grant
 2 Act of 1990 (42 U.S.C. 9858b(a)).

3 “(b) FUNDING OF PROJECTS.—The Director may,
 4 using amounts available for experimental projects under
 5 section 502(e), provide for the development of special
 6 projects under subsection (a).”

7 **TITLE II—TAX INCENTIVES FOR** 8 **DEPENDENT CARE**

9 **SEC. 201. EXPANSION OF CHILD AND DEPENDENT CARE** 10 **CREDIT.**

11 (a) INCREASE IN CREDIT PERCENTAGE FOR LOW
 12 AND MIDDLE INCOME WORKERS.—Section 21(a)(2) of the
 13 Internal Revenue Code of 1986 (relating to credit for ex-
 14 penses for household and dependent care services nec-
 15 essary for gainful employment) is amended to read as fol-
 16 lows:

17 “(2) APPLICABLE PERCENTAGE DEFINED.—For
 18 purposes of paragraph (1), the term ‘applicable per-
 19 centage’ means 30 percent reduced (but not below
 20 20 percent) by 1 percentage point for each \$2,000
 21 (or fraction thereof) by which the taxpayer’s ad-
 22 justed gross income exceeds \$20,000.”

23 (b) INCREASE IN MAXIMUM AMOUNT CREDITABLE.—
 24 Section 21(c) of the Internal Revenue Code of 1986 (relat-
 25 ing to dollar limit on amount creditable) is amended—

1 (1) by striking "\$2,400" in paragraph (1) and
2 inserting "\$3,600", and

3 (2) by striking "\$4,800" in paragraph (2) and
4 inserting "\$5,400".

5 (c) PHASE-OUT OF CREDIT FOR HIGHER INCOME
6 TAXPAYERS.—

7 (1) IN GENERAL.—Section 21(c) of the Internal
8 Revenue Code of 1986 (relating to dollar limit on
9 amount creditable) is amended by adding at the end
10 the following new paragraph:

11 "(2) PHASEOUT OF CREDIT.—

12 "(A) IN GENERAL.—The amount of the
13 credit allowed under subsection (a) shall be re-
14 duced (but not below zero) by the amount de-
15 termined under subparagraph (B).

16 "(B) AMOUNT OF REDUCTION.—The
17 amount determined under this paragraph
18 equals the amount which bears the same ratio
19 to the credit (determined without regard to this
20 subsection) as—

21 "(i) the excess of—

22 "(I) the taxpayer's adjusted
23 gross income for such taxable year,
24 over

“(II) the threshold amount, bears

to

“(ii) \$10,000.

Any amount determined under this subparagraph which is not a multiple of \$10 shall be rounded to the next lowest \$10.

“(C) THRESHOLD AMOUNT.— For purposes of this paragraph, the term ‘threshold amount’ means—

“(i) \$90,000 in the case of a joint return,

“(ii) \$65,000 in the case of an individual who is not married, and

“(iii) \$45,000 in the case of a married individual filing a separate return.

For purposes of this subparagraph, marital status shall be determined under section 7703.

“(D) ADJUSTED GROSS INCOME.— For purposes of this paragraph, adjusted gross income of any taxpayer shall be increased by any amount excluded from gross income under section 911, 931, or 933.”

(2) CONFORMING AMENDMENTS.— Section 21(c) of such Code is amended—

1 (A) by striking “(c) DOLLAR LIMIT ON
2 AMOUNT CREDITABLE.—The” and inserting:

3 “(c) LIMITATIONS.—

4 “(1) DOLLAR LIMIT.—The”,

5 (B) by redesignating paragraphs (1) and
6 (2) as subparagraphs (A) and (B), respectively,
7 and

8 (C) by striking “paragraph (1) or (2)” in
9 the last sentence and inserting “subparagraph
10 (A) or (B)”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section apply to taxable years beginning after Decem-
13 ber 31, 1997.

14 **SEC. 202. EXPANSION OF HOME OFFICE DEDUCTION TO IN-**
15 **CLUDE USE OF OFFICE FOR DEPENDENT**
16 **CARE.**

17 (a) IN GENERAL.—Section 280A(c)(1) of the Inter-
18 nal Revenue Code of 1986 (relating to certain business
19 use) is amended by adding at the end the following: “A
20 portion of a dwelling unit and the exclusive use of such
21 portion otherwise described in this paragraph shall not fail
22 to be so described if such portion is also used by the tax-
23 payer during such exclusive use to care for a dependent
24 of the taxpayer.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section applies to taxable years beginning after De-
3 cember 31, 1997.

○

Clinton Presidential Records Digital Records Marker

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies the place of a tabbed divider. Given our digitization capabilities, we are sometimes unable to adequately scan such dividers. The title from the original document is indicated below.

G

Divider Title: _____

Rep. DeLauro

H.R. 1373

Early Learning and Opportunity Act (H.R. 1373)

DeLauro, Hoyer and McGovern

In 1993, the National Educational Goals Panel reported that nearly half of American infants do not have what they need to grow and thrive.

Purpose

- to improve the quality of care for children under age 3
- to improve the availability of care for such children
- to improve the quality of family support services for parents
- to improve the availability of family support services
- to improve the coordination and effectiveness of existing programs serving families with children under age 3

TITLE I: EARLY LEARNING AND OPPORTUNITY GRANTS

- competitive, flexible grant to states to improve quality and availability of care for children under the age of three; to improve quality and availability of family support services for the parents of such children; and to improve coordination of existing programs and services
- funded at \$360 million/yr for five years
- repeal of the "runaway plant" loophole to recover \$1.8 billion in tax revenue shall be used to pay for this title.
- State and private/not for profit sector will provide at least a 30% match (may be cash or in-kind) of federal funds
- Priority under this competition will be given to states which have taken substantial legislative or executive measures to reduce program overlap, duplication, or barriers to coordination among the services to families with very young children which are under state jurisdiction.

TITLE II: FAMILY AND MEDICAL LEAVE ACT AMENDMENT

- amend the Family and Medical Leave Act to cover companies with greater than 20 employees to cover 15 million additional women and men

TITLE III: HEAD START AMENDMENT

- authorize \$600 million per year increase for Head Start
- gradually increase the set-aside for 0-3 Early Start program from 5% in 1998 to 9% by 2002

0-3 Bill proposal

Democratic original cosponsors: Hoyer, McGovern, DeLauro

Need for Bill

In 1993, the National Educational Goals Panel reported that nearly half of American infants do not have what they need to grow and thrive.

Multi-state studies show that nearly half of the care for children under the age of three is of such substandard quality that it threatens their health and safety.

More than 50% of mothers of children under one year of age work outside the home.

Child care regulations and laws are established and enforced by states and localities; standards and licensing are carried out by localities and not-for-profit organizations. States need both funding and flexibility to improve access to child care and the quality of child care to meet local needs.

Purpose

- to improve the quality of care for children under age 3
- to improve the availability of care for such children
- to improve the quality of family support services for parents
- to improve the availability of family support services
- to improve the coordination and effectiveness of existing programs serving families with children under age 3

GRANTS TO STATES

- competitive, flexible grant to states to improve quality and availability of care for children under the age of three; to improve quality and availability of family support services for the parents of such children; and to improve coordination of existing programs and services
- funded at \$500 million for 1999
\$750 million for 2000
\$1 billion/yr for 2001, 2002, 2003
- State and private/not for profit sector will provide at least a 30% match (may be cash or in-kind) of federal funds
- states shall, in consultation with local child care organizations and advocates, develop a plan to meet local needs for additional spaces to serve very young children and to improve the quality of care for such children

- states shall submit their plans to the Secretary of Health and Human Services, who shall award competitive grants on the basis of the plan's ability to meet local needs for child care availability and quality
- priority under this competition will be given to states which have taken substantial legislative or executive measures to reduce program overlap, duplication, or barriers to coordination among the services to families with very young children which are under state jurisdiction.
- priority under this competition will be given to states which will reimburse providers for services that reflect higher costs incurred by providers who are accredited by a national association and which reflect the higher costs incurred by providers who care for children under the age of 3
- allowable services might include the following: improving licensing standards (such as child to staff ratios, group size, staff preparation and qualifications, ongoing staff training, health and safety, and linkages to parents and community standards); improving salaries; supporting ongoing and more advanced training; creating incentives for individuals to obtain, and providers to hire individuals who have obtained, more advanced training; improving the affordability of care; etc. [This list is intended to be illustrative and is not all-inclusive.]

105TH CONGRESS
1ST SESSION

H. R. 1373

To establish a grant program to improve the quality and expand the availability of child care services, and of family support services, for families with children less than 3 years of age; to amend the Internal Revenue Code of 1986 to modify the taxation of income of controlled foreign corporations attributable to imported property; to amend the Family and Medical Leave Act of 1993 to cover employers that have more than 20 employees; to amend the Head Start Act to authorize appropriations for fiscal years 1999 through 2002 and to increase the funds reserved for services for families with children less than 3 years of age; and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 1997

Ms. DELAURO (for herself, Mr. HOYER, and Mr. MCGOVERN) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a grant program to improve the quality and expand the availability of child care services, and of family support services, for families with children less than 3 years of age; to amend the Internal Revenue Code of 1986 to modify the taxation of income of controlled foreign corporations attributable to imported property; to amend the Family and Medical Leave Act of 1993 to cover employers that have more than 20

employees; to amend the Head Start Act to authorize appropriations for fiscal years 1999 through 2002 and to increase the funds reserved for services for families with children less than 3 years of age; and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Early Learning and
5 Opportunity Act of 1997".

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) The first 3 years of life are a critical period
9 of brain development, intellectual growth, and emo-
10 tional, social, affective, and moral development, that
11 help determine the health and productivity of a child
12 in later life.

13 (2) Scientific research shows that how individ-
14 uals function from preschool through adolescence
15 and adulthood hinges to a significant extent on the
16 experiences children have in their first 3 years of
17 life.

18 (3) One in 3 victims of physical abuse is a baby
19 less than 1 year of age.

20 (4) In 1993 the National Educational Goals
21 Panel reported that nearly half of infants in the

1 United States do not have what they need to grow
2 and thrive.

3 (5) High-quality care from a parent or other
4 adult is necessary to facilitate growth and develop-
5 ment.

6 (6) More than 50 percent of mothers with chil-
7 dren less than 1 year of age are working outside the
8 home.

9 (7) More than 50 percent of working women
10 are not covered by the Family and Medical Leave
11 Act of 1993, an Act that provides a 12-week, unpaid
12 parental leave.

13 (8) The United States is the only industrialized
14 country in the world which does not provide paid
15 maternity leave. Thirty developing countries provide
16 paid maternity leave.

17 (9) Five million children under age 3 are in the
18 care of other adults while their parents work outside
19 the home.

20 (10) Parents of very young children have few
21 child care service options. Many cannot afford to
22 stay home with their children, or to pay for safe,
23 high-quality developmental child care services.

24 (11) Statewide and multistate studies have
25 found that less than 20 percent of child care services

1 for very young children is of good quality; nearly 50
2 percent is of such substandard quality that it ad-
3 versely affects such children's development and may
4 put their health and safety at risk.

5 (12) Families with children less than 3 years of
6 age are the single largest group living in poverty.
7 Twenty-five percent of such children, 3,000,000 chil-
8 dren, are living below the poverty line, are at greater
9 risk for malnutrition, poor health, and maltreat-
10 ment, and are less likely to receive the care they
11 need from parents or other child care service provid-
12 ers to grow and develop normally.

13 **SEC. 3. PURPOSES.**

14 The purposes of this Act are—

15 (1) to improve the quality, and to increase the
16 availability, of child care services for children less
17 than 3 years of age,

18 (2) to improve the affordability of child care
19 services available to such children,

20 (3) to improve the quality, and to increase the
21 availability, of services to assist families to nurture
22 such children, and

23 (4) to improve the coordination and effective-
24 ness of existing programs that provide such services
25 to such children and their families.

1 **TITLE I—EARLY LEARNING AND**
2 **OPPORTUNITY GRANTS**

3 **SEC. 101. GRANTS FOR SERVICES.**

4 (a) **AUTHORITY TO MAKE GRANTS.**—The Secretary
5 of Health and Human Services may make grants, on a
6 competitive basis, to eligible States to improve the quality,
7 and to increase the availability, of child care services for
8 very young children and of support services for the fami-
9 lies of such children.

10 (b) **PRIORITY.**—For the purpose of making grants
11 under subsection (a), the Secretary shall give priority to
12 eligible States to the extent that such State, as dem-
13 onstrated in the application for a grant under such sub-
14 section—

15 (1) will minimize the administrative costs to be
16 incurred to carry out the plan contained in such ap-
17 plication,

18 (2). has coordinated the activities described in
19 the plan contained in such application, with provid-
20 ers of child care services for children between 3 and
21 6 years of age, and with providers of family support
22 services for families of such children, located in the
23 State,

1 (3) has taken substantial legislative or executive
2 action to reduce the duplication of, and barriers to
3 providing, such services, and

4 (4) during the fiscal year for which such grant
5 is received, will reimburse such providers for such
6 services at rates that reflect—

7 (A) the higher costs incurred by such pro-
8 viders who are accredited by national associa-
9 tion that provides accreditation for providers of
10 the respective types of such services and that is
11 recognized by the Secretary, and

12 (B) the higher costs incurred by such pro-
13 viders to provide child care services to children
14 who are very young children.

15 **SEC. 102. ELIGIBILITY FOR GRANTS.**

16 To be eligible to receive a grant under section 101,
17 a State shall submit to the Secretary an application that
18 satisfies the following requirements:

19 (1) Such application is prepared by the State
20 after consultation with providers of child care serv-
21 ices for very young children, and with providers of
22 family support services for families of such children,
23 located in the State.