THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release March 16, 1999

STATEMENT BY THE PRESIDENT

Making child care better, safer and more affordable is at the heart of my effort to help America's parents balance their responsibilities at home and at work. Today, more than ever, parents struggle to find high quality, affordable child care for their children. That is why I have proposed significant new investments in child care, expanding subsidies and providing greater tax relief for working families, increasing after-school opportunities for children, improving child care quality, and providing new tax relief for parents who choose to stay at home.

I am pleased that today key members of the House of Representatives took steps to move us closer to enacting meaningful child care legislation. Representative Ben Cardin introduced important new legislation -- the Child Care Improvement Act of 1999 -- that, like my proposal, addresses the critical child care needs of working families. And Representative Ellen Tauscher and numerous Democratic colleagues introduced a comprehensive child care package -- the Affordable Child Care, Education, and Security Act -- that incorporates many of my proposals and would go a long way to fully addressing the child care demands of working families. These bills would help Americans fulfill their responsibilities as workers and their even more important responsibilities as parents. I look forward to working with Representative Cardin, Representative Tauscher, and other Members of Congress on both sides of the aisle to meet the child care needs of America's families.

30-30-30

THE WHITE HOUSE

WASHINGTON

February 23, 1999

The Honorable Pete Stark
U.S. House of Representatives
Washington, D.C. 20515

Dear Congressman Stark:

Thank you for your recent letter. I am delighted that you are working on legislation to improve the quality of child care in our country. The evidence is overwhelming that investments in quality early childhood education can pay enormous dividends in terms of school-readiness and later success.

I was pleased that, as a part of the hard-fought budget passed last year, the President won his full request of $173 million in new dollars for states to improve child care quality through increased inspections of child care facilities, resources and referral services, and other activities. The President's FY 2000 budget includes significant new investments in child care quality through his proposed Early Learning Fund. This program, funded in the President's budget at $3 billion over five years, would enable local communities to make needed child care quality enhancements.

As you well know, in the last Congress, we were not able to make child care the priority issue it deserved to be. I am pleased that next month the House Ways and Means Subcommittee on Human Resources has scheduled a hearing on child care. I am hopeful that we can achieve greater success this year, and I look forward to working with you on this important issue.

With gratitude for your leadership and warm regards, I am

Sincerely yours,

Hillary

Hillary Rodham Clinton

Nicole is pre-
paring
response
We need to tell
him what we proposed
about <u>quality</u>
Pam

RTNEY PETE STARK
HIRTEENTH DISTRICT, CALIFORNIA

~~cc~~: Nicole, Melanne

COMMITTEES:
WAYS AND MEANS
JOINT ECONOMIC

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

January 25, 1999

First Lady Hillary Rodham Clinton
Office of the First Lady
Old Executive Office Building, Rm. 100
Washington, D.C. 20501

Dear Mrs. Clinton:

I admire the work that you are doing on behalf of the nation's children and would appreciate your thoughts on a child care proposal that I am developing. Because of my concern that the quality of child care is uneven — and, in some cases, unacceptable — I am drafting a bill designed to enhance the quality of child care services. My intention is not to close down inadequate centers or to say that grandparents without formal training in child development who are providing care to their grandchildren should not. Instead, I think we should offer incentives to states and local communities so that they understand where they are in terms of quality and take measures to improve the care they provide.

My conversations with political staff in the Department of Health and Human Services have not been successful. They seem to cringe at the thought of opening a dialogue on quality. While I understand that their first priority is expanding the number of children who have access to child care, each day that we ignore the quality of that care children are left in environments that can be harmful. Form your work with the Carnegie Corporation, the White House Child Care Conference, and other associations, I know you are well aware of the research on brain development and quality and trust you take this issue seriously.

Although there is no consensus on federal child care standards, my hope is to provide incentives to states that effect measurable improvements in the quality of child care. Improvements in critical areas including training and care giver to child ratios can make a practical difference now while the policy debate about access to quality child care continues. I would appreciate the opportunity to share with you my ideas for a federal role in improving child care quality.

Sincerely,

Pete

Pete Stark
Member of Congress

March 3, 1999

Nick,

Attached at long last is the Administration's legislative proposals for increasing the mandatory funding for the Child Care and Development Block Grant and establishing an Early Learning Fund. We're very excited that Mr. Cardin will introduce these along with the Administration's tax proposals for child care and stay at home parents. I understand you've been working closely with the Department of Treasury staff on legislative language for those components of the bill.

Please let me know if you would like any other information or assistance on child care. Also, lets stay in close touch on the next steps, especially concerning the timing of the introduction and the interest among other members to co-sponsor and support.

Thank you very much for all your outstanding work on this.

Mary

Making Child Care More Affordable

INCREASE, EXPAND AND SIMPLIFY THE CHILD AND DEPENDENT CARE TAX CREDIT

Current Law

A taxpayer may be eligible for a nonrefundable tax credit if he or she pays for the care of a qualifying individual in order to work. Qualifying individuals include dependents under the age of 13 and disabled dependents or spouses. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care. A taxpayer must provide over half the costs of maintaining the household in which the taxpayer and the qualifying dependent reside. Taxpayers who do not incur out-of-pocket child care expenses are not eligible for the credit.

The credit rate depends on the taxpayer's adjusted gross income. The credit rate is phased-down from 30 percent (for taxpayers with adjusted gross incomes of $10,000 or less) to 20 percent (for taxpayers with adjusted gross incomes above $28,000). The maximum amounts of qualifying employment-related expenses for which credits can be claimed are limited to $2,400 for one qualifying individual and $4,800 for two or more qualifying individuals. Thus, the maximum credit ranges from $480 to $720 for a taxpayer with one qualifying individual and $960 to $1,440 for a taxpayer with two or more qualifying individuals.

Employees may exclude from their taxable income (and their earnings for social security tax purposes) amounts their employers provide as child and dependent care benefits, including those provided through a cafeteria plan. The exclusion is limited to $5,000 of child care expenses per year and does not vary with the number of qualifying dependents. The amount of a taxpayer's expenses eligible for the child and dependent care credit is reduced dollar for dollar by the amount of excludable benefits provided by the employer.

Reasons for Change

Many working parents cannot find affordable and safe child care. In the FY 2000 budget, the Administration is proposing a comprehensive initiative to address the child care needs of both low- and moderate-income working families. Low-income families will receive additional assistance through an expansion of the Child Care and Development Block Grant. The needs of moderate-income families can be best served through an expansion of the child and dependent care tax credit, which was last increased in 1982.

Infants require special care and attention. Infants especially benefit from bonding with their parents during their first year, although many parents cannot afford to stay at home to care for their children. To enable parents to make the best choices for caring for their youngest children, the child and dependent care tax credit should be expanded to provide additional assistance to taxpayers with infants.

Proposal

Expand basic child and dependent care credit

The maximum child and dependent care tax credit rate would be increased from 30 percent to 50 percent. Taxpayers would be eligible for the 50-percent credit rate if their adjusted gross income is $30,000 or less. For taxpayers with adjusted gross incomes between $30,000 and $59,000, the credit rate would be reduced by one percentage point for each additional $1,000, or fraction thereof, of adjusted gross income in excess of $30,000. Taxpayers with adjusted gross incomes over $59,000 would be eligible for a 20-percent credit rate. The current-law maximum amounts of employment-related expenses for which the credit can be claimed ($2,400 for one qualifying individual and $4,800 for two or more qualifying individuals) would be retained. Thus, the maximum credit would range from $480 to $1,200 for a taxpayer with one qualifying individual and $960 to $2,400 for a taxpayer with two or more qualifying individuals.

Taxpayers generally would no longer be required to provide over half the costs of maintaining the home in which the taxpayer and the qualifying individual reside to claim the child and dependent care tax credit, but would still be required to demonstrate that they resided in the same household as the qualifying individual. A married taxpayer who files a separate return, however, would still have to meet the current law household maintenance test in order to qualify for the credit.

The provision would be effective for tax years beginning after December 31, 1999. Beginning 2001, the $30,000 starting point for the phase-down range would be indexed for inflation. The maximum amounts of qualifying child and dependent care expenses that could be claimed for the credit also would be indexed, beginning in 2001.

Additional credit for taxpayers with infants

The child and dependent care tax credit would be expanded to provide an additional credit for all taxpayers with qualifying dependents under the age of one ("infants"), whether or not they incur out-of-pocket child care expenses. The additional credit amount would be equal to the applicable credit rate multiplied by $500 for an infant ($1,000 for two or more infants).

For taxpayers with infants who incur out-of-pocket child care expenses in order to work, the proposed expanded basic child and dependent care tax credit would be augmented by allowing these taxpayers to add $500 (or $1,000 if two or more infants) to these expenses. For example, a two-earner couple with an infant could qualify for a maximum child and dependent care tax credit of up to $1,450 if they incurred $2,400 or more of out-of-pocket child care expenses (50 percent x ($2,400+$500)).

Taxpayers with infants who do not incur any out-of-pocket child care expenses would also be eligible for the additional credit for infants. For example, a taxpayer with a stay-at-home spouse who cares for their infant would qualify for a maximum credit of up to $250 (50 percent x $500) ($500 if they have two or more infants). Similarly, a two-earner couple with an infant could qualify for a credit of up to $250 even if they rely on unpaid relatives and friends to help care for their infant while they are at work.

The provision would be effective for taxable years beginning after December 31, 1999. The additional credit for taxpayers with infants would be appropriately indexed for inflation beginning in 2000.

PROVIDE TAX INCENTIVES FOR EMPLOYER-PROVIDED CHILD-CARE FACILITIES

Current Law

If an employer incurs expenses to assist employees in obtaining child care, either by acquiring or constructing a child care facility for their use or arranging for third parties to provide child care services, those expenses generally are either immediately deductible under section 162 as ordinary and necessary business expenses or capitalized and then recovered over time through depreciation deductions. Employers may also treat up to $5,000 per year in dependent care assistance provided to an employee who is a long-term family assistance recipient as wages for purposes of the Welfare-to-Work Tax Credit provided under section 51A. Otherwise, an employer is not eligible to take a credit against Federal income tax for expenses incurred that relate to child care for its employees.

Reasons for Change

As part of the Administration's comprehensive initiative to address the child care needs of both low- and moderate-income working families, the Administration intends to provide private sector employers with an incentive to make quality child care services available to their employees.

Proposal

Taxpayers would receive a credit against their Federal income tax equal to 25 percent of qualified expenses for employee child care. These expenses would include costs incurred:

(1) to acquire, construct, rehabilitate or expand property that is to be used as part of a taxpayer's qualified child care facility;

(2) for the operation of a taxpayer's qualified child care facility, including the costs of training and continuing education for employees of the child care facility; or

(3) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer.

To be a qualified child care facility, the principal use of the facility must be for child care, and the facility must be duly licensed by the State agency with jurisdiction over its operations. Also, if the facility is owned or operated by the taxpayer, at least 30 percent of the children enrolled in the center (based on an annual average of the enrollment measured at the beginning of each month) must be children of the taxpayer's employees. If a taxpayer opens a new facility, it must meet the 30 percent employee enrollment requirement within two years of commencing operations. If a new facility failed to meet this requirement, the credit would be subject to recapture.

To qualify for the credit, the taxpayer must offer child care services, either at its own facility or through third parties, on a basis that does not discriminate in favor of highly compensated employees.

A taxpayer would also be entitled to a credit for ten percent of expenses incurred to provide employees with child care resource and referral services.

A taxpayer's total credit under this proposal would be limited to $150,000 per year. Any deduction the taxpayer would otherwise be entitled to take for the qualified expenses would be reduced by the amount of the credit. Similarly, if the credit is taken for expenses of acquiring, constructing, rehabilitating, or expanding a facility, the taxpayer's basis in the facility would be reduced by the amount of the credit. The credit would be subject to the general business credit rules of section 38.

The credit would be effective for taxable years beginning after December 31, 1999.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release — January 19, 1999

STATEMENT BY THE PRESIDENT

Tonight, in my State of the Union address, I will outline my agenda to help parents struggling to meet their responsibilities at work and at home. This agenda includes an ambitious initiative to make child care safer, better, and more affordable for America's working families. Today, Senator Christopher J. Dodd (D-CT) and many of his Democratic colleagues in the Senate have taken an important step toward reaching that goal by introducing the Affordable Child Care for Early Success and Security Act (A.C.C.E.S.S.).

This proposal, like mine, significantly increases child care subsidies for poor children, provides greater tax relief to help low- and middle-income families pay for child care and to support parents who chose to stay at home to care for their young children. This plan dramatically increases after-school opportunities, encourages businesses to provide child care for their employees, promotes early learning and school readiness, and improves child care quality.

The Child Care A.C.C.E.S.S. Act builds on the longstanding commitment of Senator Dodd and the co-sponsors of this legislation to improving child care for our nation's children. I look forward to working with Members of Congress in both parties to enact child care legislation this year that will help Americans fulfill their responsibilities as workers, and, even more importantly, as parents.

30-30-30

keep to 30 million

Summary of S. 1610: Senator Dodd's Child Care A.C.C.E.S.S. Act
(Affordable Child Care for Early Success and Security)

Improving the Affordability of Child Care

Provide an additional $7.5 billion in mandatory funding over 5 years through the Child Care and Development Block Grant to increase the amount of child care subsidies available to working families. This investment will double the number of children served by the block grant to 2 million by 2003.

Enhancing the Quality of Child Care and Early Childhood Development

- Provide $3 billion in mandatory funding over 5 years through the block grant to encourage states to invest in activities known to produce significant improvements in the quality of child care and early childhood development, such as the following:

  - Bringing provider-child ratios to standards recommended by nationally-recognized child care accrediting bodies.
  - Improving the enforcement of licensing standards, including the use of unannounced inspections of child care providers
  - Conducting background checks on child care providers
  - Providing increased payment rates for child care services for infants and for children with special health care needs
  - Providing increased payment rates for child care services offered by licensed or accredited providers.
  - Improving the compensation of child care providers
  - Assisting child care providers in become licensed or accredited.
  - Expanding activities to educate parents on the availability and quality of child care, including the development and operation of resource and referral systems
  - Creating support networks for family child care providers
  - Establishing linkages between child care services and health care services
  - Offering training and education to child care providers, including offering scholarship and tax credits to assist with the expenses of obtaining such training and education
  - Providing family support and parent education
  - Ensuring the availability and quality of child care for children with special health care needs.

- Involve communities in improving the quality of early childhood development by providing grants to local collaboratives to improve parent education and supportive services, strengthen the quality of child care, improve health services, and improve services for children with disabilities.

Increasing the Availability and Quality of School-Age Child Care

- ~~600 tax~~ Provide $3 billion in mandatory funds over 5 years through the block grant to increase the supply and quality of school-age care. Also, increase the age of children eligible to be served with block grant funds to 15 from 13 years old.

- Through the 21st Century Community Learning Centers, provide $1 billion/5 years to encourage schools to create before and after-school programs. 600/yr

Expanding the Dependent Care Tax Credit

- Make the credit refundable so that families with no or little tax liability (those making under $30,000) can receive assistance with child care expenses. 12.2

- Adjust the sliding scale to increase the credit for families earning under $60,000. For example, a family earning $30,000 with one child would be eligible for a credit of up to $1200, instead of $720 under current law.

- Index the current expense limits (currently $2,400 for one child and $4,800 for two or more children) for inflation to help the credit keep pace with rising child care. costs.

Supporting Family Choices in Child Care

0 - 1

- Allow stay-at-home parents with children under the age of 1 to claim a portion of the dependent care tax credit, based on imputed expenses of $90 per month (maximum credit = $540). This credit would also be made refundable to allow families earning under $30,000 to benefit. The credit is phased out for families earning over $70,000. 4.3

- Expand the Family and Medical Leave Act to include businesses with 25-50 employees. This would protect an additional 13 million working Americans and their families and would provide coverage for 71% of the private workforce -- an increase of 14%.

Encouraging Private Sector Involvement

- Create a new discretionary program of competitive "challenge grants" in which communities who generate funds from the private sector would be eligible for matched federal grants to improve the availability and quality of child care on a community-wide basis. Authorized at $1 billion over 5 years. ABC groups of empl. Feinstein

- Provide a 25% tax credit to employers ($500 million/5 years) for operating on-site child care centers, contracting for off-site child care, contributing to the costs of accreditation or operating resource and referral systems.

Ensuring the Quality of Federal Child Care Facilities

Require federal child care centers to meet all applicable state licensing standards. no subsidies
L standards

SCHOOL READINESS

Rationale:

Children from lower income families are only half as likely to be enrolled in preschool as children from wealthier families. While the poorest children are eligible for Head Start, children of working families fall through the cracks. These children, who are already at risk for a number of problems, are further "educationally-disadvantaged" by arriving at school less ready to learn. Focusing on providing assistance to these families using a "school readiness" theme can recast the child care debate in a way that has more political traction, i.e., as a education initiative.

CT's Program

Last year CT enacted a School Readiness initiative designed to increase the supply of high quality child care for CT preschoolers. By uniting behind the cause of making sure that children start kindergarten ready to learn, CT successfully secured $55 million/year to create high quality child care programs in needy communities. Funding was automatically allocated by the state to CT's fourteen neediest communities. Other towns can compete for grants. As a condition of receiving funds, communities are required to form local councils which then award funds to individual child care programs.

The CT program does not presume that any single form of preschool is best -- schools, child care centers and Head Start Centers are all eligible for funding. Thus, a community can craft a program based on local resources and needs. An additional advantage of the CT program is that it was designed to neatly "wrap around" and leverage existing Head Start and child care dollars. For example, School Readiness funds can be used to extend a Head Start to full-day and full-year. To be eligible to receive funds, programs must be accredited or in the process of being accredited by the National Association for the Education of Young Children, or must meet Head Start or State standards.

Proposal for National School Readiness Legislation

- Create an incentive program within the Child Care and Development Block Grant to encourage states to ensure that children are ready to learn when they enter school.
- States would be allowed to funds for the following purposes
  - Providing training to home and center-based providers to help them prepare children for school
  - Linking compensation of providers to training in school-readiness
  - Creating support networks for home-based child care providers to provide school readiness training and information
  - Providing materials and equipment to child care providers to promote school readiness
  - Expanding activities to educate parents on the importance of school readiness
  - Addressing the needs of working families by expanding part-year or part-day

programs, including Head Start.

- Allotments to the states would be based on the same formula (FMAP)as the match portion of the block grant. States would be required to ensure that funding supplements, rather than supplants, current preschool spending.

To: John Podesta
From: Senator Christopher J. Dodd
Re: Follow-up to December 21 Meeting
Date: December 22, 1998

As we discussed, below I've outlined my proposal for legislation targeting the primary risks to adolescents.

TEEN LEGISLATION

Rationale:

Young children and college students receive the majority of society's attention and financial investment, despite the fact that it is during adolescence that young people make their first life-determining choices -- about whether to finish high school, to avoid or use drugs, to break the law, etc. Eliminating the main threats to the health and safety of American adolescents -- truancy, violence, substance abuse, lack of supervision after school, and working long hours at part-time jobs increases the odds that adolescents will successfully navigate the often difficult path into productive adulthood. This is a new focus for children's legislation and one that offers a cohesive way to embrace the disparate issues facing our youth. This is also a message with a shot at gaining bipartisan support, since it takes advantage of Republican interest in reducing crime and developing a competent workforce for the 21st century. We've already had Senator Susan Collins express interest in working with us on truancy.

Proposal:

- **Truancy**, which is typically the first signal of bigger and more costly problems like dropping out of school and juvenile crime, has increased 35% in recent years. In addition to the personal cost to adolescents from lost educational opportunities, truancy places an additional burden on our already strained foster care and juvenile court systems. I'm planning to incorporate into the larger Teen bill, my Prevention of Truancy Act of 1997, S. 1369, which would fund partnerships composed of schools, law enforcement, and social service organizations to develop innovative projects to prevent or reduce truancy.

- **Afterschool Care:** Although it is commonly thought that juvenile crime occurs mostly late at night, the peak hours are actually between 3:00 and 6:00 pm -- after school hours when many children are unsupervised. In addition, research has shown that adolescents left home alone after school report greater use of cigarettes, alcohol, and marijuana than those who were in supervised settings. I would propose continuing to build on the popular 21st Century Community Learning Centers. Doubling funding to $400 from the $200 million appropriated this year for this program would give more teens the chance to be safe and productive when the school day ends. (see attached)

- **Violence**: The recent spate of school shootings highlights the need to help troubled children early -- before tragedies occur. I am developing legislation to give schools and community organizations that work with adolescents the necessary tools and resources to identify and intervene quickly in potentially violent situations.

- **Substance Abuse**: Despite some positive trends, drug use among youth remains at unacceptably high levels. Additionally, adolescents seeking help with substance abuse find that many treatment programs fail to recognize the special challenges of teens. I'm planning on incorporating into the larger Teen Bill my "Substance Abuse Treatment for Adolescents Act", S. 793 which creates a setaside in federal substance abuse money for teens.

- **School Health Centers**: Locating health services where 45 million children spend the vast majority of their time -- their school building -- has tremendous potential for reaching adolescents, who too often fall through the cracks of the traditional health care system. In addition, school health clinics can serve as a logical outreach site to enroll eligible adolescents in Medicaid and the Children's Health Insurance Program. I am drafting legislation to increase the federal commitment to providing critical health services to adolescents through locally administered school-based health centers.

- **Teen Labor**: Although there are some benefits to teenagers holding down part-time jobs while in school, high school students who attempt to balance educational demands with working 20 or more hours a week demonstrate poorer grades, lower school achievement, more substance abuse, more school discipline problems, an insufficient amount of sleep and exercise, and job-related injuries, according to recent finding by the National Research Council and the Institute of Medicine. I intend to draft legislation that follows through on the NRC and IOM's recommendation that limits be placed on the number of hours that teens can work during the school year.

- **Adolescents Aging out of Foster Care**: Foster children who reach the age of majority are too often thrown into the world without the necessary resources to help them successfully transition into adulthood. Without basic supports like vocational training, housing, and health insurance, these adolescents are particularly vulnerable to falling through the cracks. We've had preliminary discussions with HHS Legislative Affairs about incorporating this concept into the larger Teen Bill.

Democratic Policy Committee
United States Senate
Washington, D.C. 20510-7050

Tom Daschle, Chairman
Byron Dorgan, Co-Chairman

SPECIAL REPORT

DEMOCRATIC POLICY COMMITTEE

January 19, 1999
Publication: SR-02-Dem. Agenda

Democratic Leadership Initiatives for the 106th Congress

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Democratic Leadership Initiatives

Americans work hard to meet their obligations to parents, children, and community. Struggling to balance their work and personal lives, American families make difficult choices every day about making ends meet, paying for health care, finding excellent schools and after-school care for their children, and planning for retirement.

During the 105th Congress, Democrats achieved a number of victories for America's working families, including strengthening Medicare, a new program to help lower-income working parents purchase health insurance for their children, new tax credits to help middle-class families pay for college, and funding to help communities hire 100,000 well-trained teachers.

To build on these accomplishments, Democrats will stand united in the 106th Congress to improve the quality of life for millions of hard-working Americans. In the coming months, Democrats' legislative priorities will include the following:

Democrats' First Five Bills

- **S. 6**, the *Patients' Bill of Rights Act;*
- **S. 7**, the *Public Schools Excellence Act;*
- **S. 8**, the *Income Security Enhancement Act;*
- **S. 9**, the *Safe Schools, Safe Streets and Secure Borders Act;*
- **S. 10**, the *Health Protection and Assistance for Older Americans Act;*

Additional Democratic Initiatives

- **S. 16**, the *Congressional Election Spending Limit and Reform Act;*
- **S. 17**, the *Child Care ACCESS Act;*
- **S. 18**, the *SAFER Meat and Poultry Act;*
- **S. 19**, the *Agricultural Safety Net and Market Competitiveness Act;*
- **S. 20**, the *Brownfields and Environmental Cleanup Act;* and
- **S. 74**, the *Paycheck Fairness Act.*

S. 6, the *Patients' Bill of Rights*

The focus of HMOs and other managed care plans on cutting costs and the emphasis of some on profits before patients' needs have undermined Americans' confidence in their health care. Over the past decade, the number of Americans in managed care plans has grown dramatically. It is estimated that by 1996, 75 percent of employees with employer-provided health insurance were covered by managed care.

In the 105th Congress, Democrats fought to provide millions of American families with quality health care as they worked to pass the *Patients' Bill of Rights*. This bill was supported by nearly 200 organizations representing doctors, nurses, patients' rights advocates, and consumer and labor groups. Unfortunately, the Republican majority refused to work with Democrats to pass strong, enforceable patient protections. Ultimately, they paid lip service to protecting patients, but proposed legislation that would create new loopholes to protect HMOs.

Despite the Republicans' and the managed care industry's best efforts to derail this legislation, Democrats are committed to keeping managed care reform at the forefront of Congressional debate. During the 106th Congress, the Democrats' number one legislative priority is the passage of the *Patients' Bill of Rights of 1999.*

Democratic Leadership Initiative

The central objective of the *Patients' Bill of Rights* is to ensure that patients will receive the care they have been promised and paid for. The *Patients' Bill of Rights* does this in a number of ways.

- **Guarantees patients access to emergency room care.** The *Patients' Bill of Rights* allows patients to go to any emergency room during a medical emergency, without having to call a health plan for permission. Emergency room physicians can stabilize their patients and plan for a cure after stabilization without fear that health plans will deny coverage.

- **Guarantees patients access to needed specialists.** The *Patients' Bill of Rights* ensures that patients who suffer from a chronic condition or a disease that requires care by a specialist will have access to a qualified specialist. If the HMO does not include specialists qualified to treat a condition, such as a child's heart defect, it would have to allow the patient to see a qualified doctor within its network at no extra cost. The *Patients' Bill of Rights* also allows patients with serious ongoing conditions to choose a specialist as their primary doctor or to see that doctor without having to ask their HMO for permission before every visit.
- **Gives women access to an OB/GYN.** The *Patients' Bill of Rights* allows a woman to have direct access to her OB/GYN without having to get a referral from her HMO. Women also would have the option to designate their OB/GYN as their primary care physician.
- **Frees doctors to practice medicine.** The *Patients' Bill of Rights* ensures that doctors–not HMO accountants–make medical decisions. HMOs are prevented from inappropriately interfering with doctors' judgments and cannot mandate drive-through procedures or set arbitrary limits on hospital lengths of stay. Doctors and nurses who advocate on behalf of their patients will be protected from retaliation by HMOs.
- **Makes needed prescriptions drugs available to patients.** The *Patients' Bill of Rights* ensures that patients with drug coverage will be able to obtain needed medications, even if they are not on the HMO's approved list.
- **Gives patients the right to appeal HMO decisions to an independent board and receive a timely decision.** The *Patients' Bill of Rights* guarantees that patients who are denied care by an insurance company can appeal to an independent reviewer and receive, timely decisions that are binding on the HMO.

- **Holds HMOs accountable for their actions.** Today, even if an HMO has been involved directly in dictating, denying, or delaying care for a patient, it can use a loophole in the *Employee Retirement Income Security Act of 1974* (ERISA) to avoid any responsibility for the consequences of its actions. ERISA was designed to protect employees from losing pension benefits due to fraud, mismanagement and employer bankruptcies during the 1960s, but has had the effect of leaving patients harmed by their HMOs' decisions to deny or delay care with no effective remedy. The *Patients' Bill of Rights* closes this loophole and ensures that like any other industry, HMOs can be held accountable for their actions.

S. 7, the *Public Schools Excellence Act*

Throughout the 20th Century, our public schools have provided opportunities for millions of Americans of all backgrounds and laid the foundation for our national economic success and strong economy. As the United States approaches the new millennium, it is critical that national leaders step up to the challenge and work to improve and strengthen our public schools. In an economy where six out of ten jobs will require sophisticated computer skills, and where the relationship between income and education level is clear, Senate Democrats are committed to improving education of the nearly 50 million American children who rely on public education.

Over the next ten years, public high school enrollment is expected to increase by 11 percent at the same time half of our Nation's experienced teachers will be retiring. The National Commission for Teachers and America's Future has found that current demand for new teachers is being met by admitting 50,000 unqualified teachers to the classroom each year. Further exacerbating the problem, too many new teachers leave the teaching profession within the first three to five years, including 30-50 percent of urban teachers.

In addition, the Nation's schools are in disrepair. Each day 14 million students attend schools that need extensive repair or replacement of one or more buildings. In addition, almost half (46 percent) of America's schools have inadequate electrical wiring for computers and communications technology.

In the 105th Congress, Democrats were successful in passing legislation to help families afford the cost of higher education and enhance learning in our public elementary and secondary schools by establishing HOPE scholarships, a tax credit for up to $1,500 of tuition expenses and providing local communities with $1.2 billion to reduce class size. Democrats are united behind an education legislative agenda for the 106th Congress that builds on these legislative successes, and tackles the challenges of preparing our children to work in the high-tech economy of the 21st Century.

Democratic Leadership Initiative

S. 7, the *Public Schools Excellence Act,* combines several proposals to increase student achievement.

School Modernization. This legislation would help local communities rebuild, modernize and reduce overcrowding in more than 5,000 local public schools. The school modernization plan provides nearly $20 billion in authority for States and local governments to issue qualified school modernization bonds, effectively paying the interest cost of school bond issues. It also modifies the existing qualified zone academy bonds program to expand funding for the bonds and include new school construction as a permissible use.

100,000 Teachers—Smaller Classes. The bill also builds on last year's budget agreement by authorizing a six-year effort to help local school districts continue to meet the goal of hiring 100,000 new, qualified teachers to reduce class size in grades one through three. Up to 15 percent of the funds can be used to support activities such as professional development courses to improve overall teacher quality.

Quality Teachers. The legislation will provide local school districts with $1.2 billion to recruit excellent teacher candidates, retain and support promising beginning teachers, and provide veteran teachers and principals with the ongoing professional development needed to help all children meet high standards of achievement. The bill requires the full $300 million for funding of Title II of the *Higher Education Act* to improve the initial preparation of teachers. **S. 7** also includes accountability measures to ensure improvement in the quality of the Nation's teaching force by requiring States and school districts to reduce both out-of-field placement of teachers and the number of teachers with emergency credentials.

After-School Programs. In order to provide parents and their children with better choices, Democrats support tripling the funding (from $200 million to $600 million) for the 21st Century Learning Center Program, which gives schools funds to operate after-school and summer school programs. Currently, over 190,000 children in 800 schools around the country benefit from this program, by participating in after-school programs that provide students with academic enrichment, tutoring, recreation and other activities. By expanding the program, more than one million children each year will have access to safe and constructive after-school activities. In addition, the bill provides funds for community-based after-school programs through the Child Care and Development Block Grant.

S. 8, the *Income Security Enhancement Act*

S. 8, the *Income Security Enhancement Act*, includes the following measures to enhance the economic security of working Americans: an increase in the minimum wage, marriage penalty tax relief, pay equity for women, pension reform, and an initiative to ensure any budget surplus is not spent before Congress addresses the solvency of Social Security.

The *Fair Minimum Wage Act*

By nearly every measure, we have the strongest economy in a generation. A budget surplus, rising worker productivity, and increased business investment have given us sustained economic growth, the lowest unemployment rate in 29 years, and the lowest inflation rate in more than three decades. But the benefits of prosperity have not flowed to many lower wage workers. Senate Democrats believe that honoring work means paying these workers a fair minimum wage.

Democratic Leadership Initiative

S. 8 would provide a 50 cent increase to the minimum wage on September 1, 1999, and a second increase on September 1, 2000. These modest increases, which would raise the minimum wage to $6.15 per hour, would help millions of lower-income Americans and their families. The legislation would also extend the Federal minimum wage to the Commonwealth of the Northern Marianas Islands (CNMI) for the first time.

To have the purchasing power it had in 1968, the minimum wage should be at least $7.45 per hour today, instead of the current level of $5.15. That gap shows how far we have fallen short in giving lower-income workers their fair share of our extraordinary economic prosperity. Since 1968, the stock market, adjusted for inflation, has increased by more than 150 percent—while the purchasing power of the minimum wage has decreased by 30 percent.

In an era of economic growth in which the gap between rich and poor has widened, raising the minimum wage is a matter of fundamental fairness. Numerous studies have shown that modest increases in the minimum wage, especially during times of low unemployment, have not had a negative impact on employment. Analyses of Department of Labor data also reveal that benefits from an increase in the minimum wage go to the adult, low-income workers who need it the most.

The extension of the Federal minimum wage to CNMI would improve the quality of life for thousands of workers in this U.S. territory, whose current minimum wage is $3.05. Since 1994, shipments of garments from the CNMI to the U.S. has almost tripled; the level of garment shipments for the last 12 months to the U.S. are valued at over $1 billion dollars. Foreign garment makers with plants in the CNMI are using low-wage workers to manufacture garments made of foreign material. The garments produced then can be legally, but misleadingly, labeled as "Made in the USA." If these garments are shipped with the "Made in the USA" label, then fairness requires that workers receive an equitable minimum wage.

Marriage Penalty Tax Relief

Democrats have worked hard to improve the tax code for working families. Senate Democrats have supported targeted tax relief to help students, families with children, small businesses, family-owned farms and businesses, retirement savings, and other key priorities. **S. 8** continues that effort by providing marriage penalty tax relief.

The "marriage penalty" is the additional tax paid by a husband and wife over and above what the couple would have paid in the aggregate if they were not married. Marriage penalties generally occur where both spouses have similar incomes. As one spouse's income becomes greater relative to the other, the penalty diminishes. Consequently, those who will benefit most from this bill are working couples who rely heavily on a second income. Democrats want to make sure that families in which both spouses work are treated fairly under the tax code.

Democratic Leadership Initiative

Twenty percent deduction. The bill allows families to deduct 20 percent of the income of the lesser-earning spouse. This deduction would be phased out for families making between $50,000 and $70,000 a year. The 20 percent deduction would be "above-the-line," ensuring that all joint filers could claim it, regardless of whether they itemize deductions on their tax return.

Benefits those eligible for the EITC. The deduction would be factored into the Earned Income Tax Credit (EITC) calculation; that is, it would help people making less than $30,000 who may have no income tax liability against which to take the deduction.

Targeted tax relief. Unlike other proposals that alleviate the marriage penalty for some while increasing the marriage bonus for others, 90 percent of this tax cut goes to working families who actually experience a marriage penalty.

The *Paycheck Fairness Act*

Nearly thirty-five years ago, President Kennedy called the *Equal Pay Act* the first step in addressing "the unconscionable practice of paying female employees less wages than male employees for the same job." When President Kennedy signed the *Equal Pay Act* in 1963, women earned 61 cents for each dollar earned by a man (Bureau of the Census).

Nearly four decades later, the earning power of women relative to men has not improved significantly. In 1997, a working woman still earned on average only 74 percent of the wage earned by a man (Bureau of the Census).

In addition, lower pay over a lifetime of work makes it far more difficult for women to save adequately for retirement. The average American woman loses approximately $420,000 in wages and benefits over the course of her life because of unfair pay practices (Bureau of the Census). Because the average woman lives seven years longer than a man, women need to stretch fewer dollars over a longer period of time.

In today's competitive economy, pay equity is not just a women's issue, but also a family issue. The *Paycheck Fairness Act* would bring equality and economic stability to women and their families.

Democratic Leadership Initiative

The *Paycheck Fairness Act* seeks to:

- toughen the remedy provisions of the *Equal Pay Act,* by allowing compensatory and punitive damages when appropriate and making it easier for cases to proceed as class actions;
- train Equal Employment Opportunity Commission (EEOC) staff to better handle wage disputes;
- recognize the achievements of the employers who have worked to eliminate pay inequality; and
- establish the sense of the Senate that the President should take steps to increase information about pay equity.

NOTE: This provision of **S. 8** is also introduced separately as **S. 74** which is described again at the end of this document.

The *Retirement Accessibility, Security and Portability Act*

Not all Americans have access to private pensions or are able to acquire personal retirement savings. Many retirees have financial difficulties and, as the oldest members of the baby boom generation begin to approach retirement, Americans have growing concerns about preparing for retirement. Democrats will continue to work toward enhancing the retirement security of American families.

Democratic Leadership Initiative

S. 8 seeks to improve pension access and coverage, promote pension portability, strengthen pension security, and provide pension equity for women.

Increasing access and coverage. The bill would boost pension coverage for men and women by making it easier for employers to offer pension benefits, as well as for workers to build up adequate retirement savings. In addition, the bill seeks to improve pension access for small business employees and low-to-moderate income workers, who are less likely to have pension coverage. The main features of the pension access provisions in **S. 8** would:

- create a new system to help workers without pension coverage build their own retirement savings through direct deductions from their paychecks into an IRA;
- establish an easy-to-administer defined benefit plan option for small businesses, known as the SMART plan;
- provide a maximum credit of $1,000 to help small businesses cover the cost of setting up new pension plans; and
- modify new rules for "SIMPLE" and 401(k) plans to encourage minimum pension coverage for low-to-moderate income employees.

Promoting pension portability. Few Americans will spend their working lives in one job. Today, the American workforce is much more mobile than it once was, and workers need to take their pension savings with them as they move from job to job. Improved pension portability would give workers greater flexibility, allowing them to change jobs and still acquire retirement savings and earn pensions. This bill encourages pension portability through:

- faster vesting of employers' matching contributions under defined contribution plans (including 401(k) plans), so that employees would have rights to the contributions after at least three years of employment;
- allowing participants in State and local government plans (457 plans) to roll over their account balances into IRAs; and
- allowing rollovers between 401(k) and similar plans set up by non-profit organizations, including 403(b) plans.

Strengthening pension security. Americans depend on their retirement income, and Democrats want to help ensure that the pension benefits that American workers expect will be there when they retire. This bill protects and strengthens pensions through:

- establishing greater safeguards against corporate raids on their employees' pension plans;

- creating stricter requirements for audits of plan assets and the ways in which companies may invest these assets;
- prohibiting employers from making credit card loans against pension assets; and
- providing pension plan participants with regular and informative benefit statements, so they can monitor the activity and value of their own pension assets.

Increasing pension equity for women. Pension laws were not developed to take into account the full impact of women's work patterns. Because women enter and exit the workforce more frequently than men, and tend to work in jobs that are less likely to offer pension coverage, women often have to rely on their husbands' retirement benefits for their retirement security. **S. 8** would reduce the wide gap in pension coverage between men and women. The bill includes:

- new safeguards to ensure that pension benefits are not overlooked when a couple divides assets upon divorce;
- a new option for Federal workers to provide a greater benefit for women who outlive their husbands;
- new safeguards to ensure that women are not denied their share of their husbands' retirement benefits;
- protections for low-income women against the loss of their Social Security benefits;
- a new women's pension information hotline; and
- additional hours taken under the *Family and Medical Leave Act* that may be credited to the pension plan for purpose of participation and vesting in their plan benefits. This would ensure that women are not forced to choose between meeting the needs of their families and their retirement security.

Save Social Security First

Democrats believe Social Security must be protected, not only for today's elderly, but for all Americans, even those who have not yet entered the workforce. Under current law, total Social Security benefits will begin to exceed payroll tax revenues in 2013. Less than two decades later, Social Security trust funds will be exhausted. The strongest economy in decades provides a unique opportunity to address the long-term solvency of Social Security now.

Republicans in Congress, however, are proposing to weaken the current pay-as-you-go budget rule so that they may spend Social Security trust fund revenues for other purposes. Relaxing the pay-as-you-go rule before reforming Social Security would jeopardize efforts to protect this important program. That is why Democrats want to make sure those safeguards remain in place until we act to save Social Security for the next generation.

Democratic Leadership Initiative

S. 8 establishes a 60-vote point of order against the consideration of legislation that would weaken the pay-as-you-go rule. This rule requires that legislation passed by the Senate include offsets for any increase in mandatory spending or reduction in revenue. In this way, the pay-as-you-go system ensures that legislation does not tap needed Social Security trust fund surpluses. The point of order will sunset once Congress enacts legislation that secures the long-term solvency of the Social Security program.

S. 9, the *Safe Schools, Safe Streets, and Secure Borders Act*

In the midst of rapidly increasing crime rates earlier in the decade, Congressional Democrats passed the *Violent Crime Control and Law Enforcement Act of 1994*. This landmark legislation, and other recent Democratic anti-crime initiatives, have resulted in an historic decrease in crime rates across the United States. According to the Bureau of Justice Statistics (BJS), the violent crime rate in 1997 dropped to its lowest level since 1973, the year BJS started collecting this data.

While crime rates continue to decline, Senate Democrats believe we must do more to further reduce crime. Our juvenile justice system is ill-equipped to deal with young violent offenders whose actions have consequences every bit as tragic as the actions of their adult counterparts. Street gangs continue to peddle drugs, commit violent acts against innocent citizens, and spread fear and intimidation in our neighborhoods. And the recent threats of violence against Americans abroad remind us that international terrorism remains a grave threat to our security. **S. 9**, the *Safe Schools, Safe Street and Secure Borders Act,* offers a comprehensive approach to crime and provides the resources to make the *Act* work.

Democratic Leadership Initiative

S. 9, the Safe *Schools, Safe Streets, and Secure Borders Act of 1999,* continues the successful initiatives of the *1994 Crime Act*, targets violent crime in our schools, reforms the juvenile justice system, combats gang violence, cracks down on the sale and use of illegal drugs, enhances the rights of crime victims, and provides meaningful assistance to law enforcement officers in their battle against international crime and terrorism.

Continuing the successes of the *1994 Crime Act.* The *Act* builds on successful initiatives in the *1994 Crime Act.*

- The Community Oriented Policing Services (COPS) Program is extended for two additional years to put 25,000 more police officers on the street.

- States can apply for additional grant funds and incentives for building prisons and jails if they require serious violent offenders to serve at least 75 percent of their sentences.
- The *Violence Against Women Act* (VAWA) is reauthorized through 2002 to provide $600 million for grants dedicated to the arrest and prosecution of batterers, shelter for 400,000 abused women and their children, and continued access to the National Domestic Violence Hotline.

Targeting violent crime in our schools. S. 9 would target violent crime in schools by:

- creating a School Security Technology Center to serve as a national resource to local schools for school security assessments, security technology development, and technical assistance to improve school security, and provide an additional $10 million under the Safe and Drug Free School Program to enable local schools to access technical assistance and purchase available security technology; and
- ensuring that juveniles with prior records of serious drug or violent felony acts do not receive or possess guns.

Reforming the juvenile justice system. The legislation would strengthen and reform the American juvenile justice system by:

- providing grants to States to incarcerate violent juvenile offenders, establish graduated sanctions, and encourage pilot programs to replicate successful juvenile crime reduction strategies;
- providing grants for juvenile gun and youth violence courts, and for truancy prevention and comprehensive delinquency prevention activities;
- banning prospective gun purchases by juveniles who have been adjudicated delinquent or convicted of violent crimes, and requiring gun dealers to make gun safety devices available for sale or have their licenses revoked; and
- imposing tougher penalties for possession of guns during the commission of a crime of violence or drug offense.

Combating gang violence. The bill would target gang violence by:

- supporting law enforcement anti-gang efforts in communities designated by the Attorney General as areas with a high level of interstate gang activity;
- enhancing penalties for convicted felons who wear protective body armor or use "lasersighting" devices to facilitate the commission of a crime; and
- doubling the criminal penalties for using or threatening physical violence against witnesses, victims and informants.

Preventing and punishing the sale and use of illegal drugs. The Senate Democrats' anti-crime initiative would crack down on the sale and use of illegal drugs by:

- increasing penalties for distributing drugs to juveniles and drug trafficking in or near schools;
- authorizing and funding adult and juvenile drug courts, which subject eligible nonviolent drug offenders to intensive supervised treatment programs;
- encouraging research to develop better medications for the treatment of drug addiction; and
- implementing a national drunk driving standard of .08 Blood Alcohol Content.

Protecting law enforcement officers and the judiciary. This initiative would substantially increase current protections for Federal, State, and local law enforcement officers and other public servants by:

- extending the Bulletproof Vest Partnership grant program through 2003;
- establishing new crimes and increasing penalties for killing Federal officers and State or local employees, who are assisting Federal officials, and for killing or assaulting State correctional officers handling Federal prisoners or detainees;

- enhancing the penalty for assaults and threats against Federal judges and other Federal officials engaged in their official duties; and
- establishing a protective function privilege against testimony from Secret Service officers, so that they are able to fulfill their mission of protecting the President, those in direct line for the Presidency, and foreign heads of state.

Guaranteeing the rights of crime victims. The victim rights provisions in the *Act* would reform Federal law in the following ways:

- establishing the right of victims to be notified of detention hearings, plea agreements, sentencing, probation revocations, and prison releases and escapes;
- giving grants to fund the hiring of State and Federal victim-witness advocates to assist crime victims; and
- establishing greater protections against the actions of bounty hunters.

Fighting the war on international crime and terrorism. S. 9 also would strengthen our efforts in the war against terrorism and international crime by:

- authorizing the FBI's investigation and prosecution of murder and extortion by organized crime groups against U.S. nationals abroad;
- restraining the bank accounts and mobile assets in the United States of persons arrested abroad;
- permitting American law enforcement agencies to share witnesses and evidence with foreign governments; and
- deny racketeers and arms traffickers admission to the U.S. when consular officials have reason to believe they are involved in racketeering activities, arms trafficking, or are fleeing foreign prosecution.

S. 10, the *Health Protection and Assistance for Older Americans Act*

One of the Democrats' strongest achievements in the 105th Congress was protecting and strengthening Medicare in the *Balanced Budget Act of 1997.* Democrats preserved the future of Medicare by implementing reforms, ensuring the financial stability of the Part A trust fund, and protecting the estimated 38 million elderly and disabled Medicare beneficiaries.

Although Democrats have improved access to insurance and health care for millions of Americans, more work remains to be done. For example:

- Americans aged 55 to 64 face special problems with health insurance access and affordability as they face increasing risks of health problems;
- more than five million Americans have significant limitations due to illness or disability and require long-term care; and
- the *Older Americans Act* which is the principal program for delivering social and nutritional services for older Americans has not been reauthorized since Republicans took control of Congress.

Addressing these issues and continuing to strengthen and protect the Medicare program will be at the forefront of the Democrats' legislative priorities during the 106th Congress.

Democratic Leadership Initiative

S. 10, the *Health Protection and Assistance for Older Americans Act,* is the Democrats' principal initiative to improve health care and support services for older Americans. During the 106th Congress, Democrats will be working to meet seniors' needs by offering initiatives to:

- expand access to health care coverage for 55- to 65-year-olds;
- support Americans with long-term care needs and their caregivers; and
- reauthorize the *Older Americans Act.*

Expanding Access to Medicare and Health Care

Americans ages 55 to 64 face problems of access to and affordability of health insurance, as they face increasing risks of health problems.

- Approximately 3.2 million 55- to 64-year olds lack health insurance. This represents an increase of 7 percent in 1997, compared to an increase of 4 percent for the whole country. The number of uninsured individuals in this age range will continue to grow, as the number of people ages 55 to 64 increases from 21 million to 35 million by 2010.
- As people approach age 65, they have less access to, and a greater risk of losing, employer-based health insurance. Many Americans in this age group retire or shift to part-time work or self-employment, sometimes involuntarily. About five million, or 22 percent, of 55- to 65-year olds are either uninsured or rely on frequently expensive individual insurance; three million have no insurance at all.
- People in this age range are twice as likely as 25- to 54-year olds to purchase individual insurance. However, those who seek coverage in the individual market often face significantly higher premiums and find that insurers refuse to cover any care for existing illnesses. In many States, insurers can refuse to issue a policy to an individual.
- The 55- to 64-year-old population is twice as likely to have heart disease, strokes or cancer as people aged 45 to 54. They are three times as likely as 35- to 44-year olds to report fair to poor health status.

S. 10 includes three provisions to improve access to health insurance for 55- to 64-year-olds.

- Individuals ages 62 to 64 without access to group insurance may buy into Medicare.

- Workers ages 55 to 61 and their spouses who lose their health insurance when their firm closes or are laid off may buy into Medicare.
- Retirees ages 55 to 64 whose employers drop their retiree health coverage after they have retired may buy into the employer's health plan through COBRA coverage.

Long-Term Care Initiative

Those who require long-term care—and their caregivers—face significant costs for their care, but few people have insurance to cover those costs.

- About five million Americans of all ages have significant limitations due to illness or disability, and need assistance performing three or more activities of daily living. About two million live in nursing homes; and approximately three million live in their communities and are cared for by family and friends.
- As the aged population grows, so will the number of people requiring long-term care. The number of people aged 65 years or older will double by 2030, from 34.3 million to 69.4 million. The number of people aged 85 years or older will grow even faster, from 4.0 million to 8.4 million.
- The market for insurance to cover long-term care needs is new and untested, and premiums often are high. In addition, many people do not recognize that the Medicare program will not pay for many of their long-term care needs.

S. 10 includes a long-term care initiative, which will also be introduced separately by Senator **Mikulski**. The initiative has four provisions:

- Americans with long-term care needs or family members who care for and house their ill or disabled relatives will be eligible for a $1,000 tax credit. This proposal supports the needs of families by compensating a wide range of formal or informal long-term care arrangements for people of all ages with three or more limitations in daily activities or a comparative cognitive impairment. About two million Americans, including 1.2 million older Americans, will benefit from this provision.

- A nationwide program would provide respite care and other caregiver support services. This program would support 250,000 families nationwide.
- An education campaign would inform all Medicare beneficiaries about the limitations of Medicare's long-term care coverage and how to evaluate alternative options for meeting their long-term care needs. Nearly 60 percent of Medicare beneficiaries are unaware that Medicare does not cover most long-term care.
- The Federal government would set a national example by offering quality private long-term care insurance to Federal employees. Federal employees, retirees, and their families would be offered non-subsidized, quality long-term care insurance at group rates. It is estimated that approximately 300,000 Federal employees would participate in this program.

Reauthorization of the *Older Americans Act*

The *Older Americans Act* is the main legislative vehicle for delivering social and nutritional services to the elderly. The services funded by the *Act* include meals on wheels, counseling, elder abuse prevention programs, and a long-term care ombudsman program to investigate the complaints of nursing home residents.

The *Older Americans Act* has not been reauthorized since the Republicans took control of Congress in 1994. The program's authorization expired in 1995. The lack of reauthorization creates uncertainty and concern among many seniors who depend on the programs offered by the *Act* and fear that these services may be at risk.

- The *Act's* grant program supports 57 State agencies on aging, 660 area agencies on aging, and 27,000 service providers (CRS).
- The *Act's* Title III nutrition program provides 238 million meals to more than 3 million older Americans. A national evaluation of the nutrition program showed that its participants are older, more likely to be poor, to live alone, and to be members of minority groups (CRS).

- It is estimated that the *Act* provides approximately 40 million rides, and responds to more than 13 million requests for information and assistance each year (CRS).

S. 10 reauthorizes the *Older Americans Act* through FY 2002.

S. 16, the *Congressional Election Campaign Spending Limit and Reform Act*

Candidates and political parties spent more than $2 billion dollars on the 1996 elections. The average winning U.S. Senator spent $3.8 million in 1996, compared to $609,000 to win a Senate seat in 1976, which is a 450 percent increase over those 20 years.

Although the final costs of the 1998 election have not been tallied, it is clear that the costs of campaigns continue to increase. Receipts for 1998 general election Senate candidates grew from $220 million in 1996, to $244.4 million in 1998, an 11 percent increase (Federal Election Commission). In addition, the *Washington Post* reports that $220 million in soft money was raised from January 1, 1997 through October 14, 1998. This amount more than doubles the $102 million in soft money contributions for all of 1993 and 1994, the last non-presidential campaign cycle.

Democrats fought throughout the 105th Congress to pass responsible campaign finance reform to limit the influence of special interests in Federal elections. Senate Democrats were successful in forcing the Republican leadership to bring the bipartisan McCain-**Feingold** campaign finance reform bill to the Senate floor in September 1997, February 1998, and September 1998. In each instance, a majority of the Senate supported reform, but the Republican leadership prevented a direct vote, killing reform through procedural maneuvering.

Democrats and the American people do not agree with the Republicans. The unprecedented sums of money being spent on elections are not making elections more competitive, nor are they enticing citizens to get more involved—precisely the opposite is happening. The Committee for the Study of the American Electorate reported that fewer Americans cast their ballots in the 1998 mid-term than in 1994, plunging voter turnout to its lowest level since 1942.

Democratic Leadership Initiative

Once again, Democrats will make reforming the campaign finance system to reduce the influence of big money special interests a top priority. **S. 16**, the *Congressional Election Campaign Spending Limit and Reform Act,* includes provisions to curb spending, limit soft money, tighten independent expenditure rules, stop abuse of issue ads, and strengthen the ban on foreign contributions.

Voluntary spending limits. The bill includes a voluntary system of spending limits for Senate candidates (on overall campaign and candidates' personal spending), in exchange for a broadcast rate of 50 percent of the lowest unit rate in general elections. Additional spending is allowed and public funding is offered as a backup mechanism to compensate a candidate opposed by independent expenditures or by an opponent who exceeds the limit.

Soft money. The bill would prohibit soft money contributions to national parties. State and local parties would be permitted to use soft money in non-presidential election years if the money is used only for State and local candidates or ballot measures, and State party committees would be allowed to maintain a separate fund for generic party and grassroots voter drives.

Independent expenditures. The bill works to reduce abuses associated with independent expenditures. Expenditures made in coordination with a candidate or the candidate's committee as an employee or consultant during the election year will be treated as a contribution and not an independent expenditure. The same is true if the person making the expenditure retains the services of an individual who also is providing services to the candidate.

Issue advocacy. The bill works to close the issue advocacy loophole by clarifying the definition of "express advocacy" communication. Express advocacy is defined as urging either the election or defeat of a clearly identified Federal candidate by using explicit phrases that link a candidate to a favored issue position, or using words that in context can have no other reasonable meaning that identifies the candidate, and are made within 60 days of a general election.

Foreign money. The legislation strengthens current law to prohibit foreign nationals from making any contributions in a Federal, State, or local election.

S. 17, the *Child Care ACCESS Act* (Affordable Child Care for Early Success and Security)

Today, more than 60 percent of women with children younger than six, and 77 percent of women with children between the ages of six and seventeen, are in the labor force. Millions of American families face the challenge of finding safe and affordable child care for their children.

Each day, an estimated 13 million children younger than six—including six million babies and toddlers—spend some or all of their day being cared for by someone other than their parents. The care these children receive, especially when they are very young, will have a tremendous impact on their development. Unfortunately, child care quality is not uniformly high. For example, a recent study found 40 percent of the rooms serving infants in child care centers to be of such poor quality as to jeopardize children's health, safety, or development (Children's Defense Fund).

Democrats understand that child care is critically important to America's working families. That is why Democrats are committed to helping States and local communities address the issues of quality, affordability and accessibility in child care.

Democratic Leadership Initiative

S. 17, the *Child Care ACCESS Act* (Affordable Child Care for Early Success and Security), significantly increases child care subsidies for poor children; provides tax relief to help low- and middle-income families pay for child care; creates a tax credit for businesses that provide child care for their employees; increases after-school opportunities for children; promotes early learning; and improves child care quality.

Improving the affordability of child care. The bill provides an additional $7.5 billion over five years through the Child Care and Development Block Grant, to expand the availability of child care subsidies for working families. This investment will double the number of children served by the block grant to two million by 2004.

Enhancing the quality of child care and early childhood development. The bill provides an additional $2 billion over five years through the Child Care and Development Block Grant to encourage States to invest in quality improvements such as reducing provider-child ratios; conducting background checks on child care providers; improving the compensation, education and training of child care providers; educating parents on the importance of high-quality care; and ensuring the availability of infant care, child care during non-standard hours, and care for children with special health care needs.

In addition, **S. 17** would involve communities in improving the quality of early childhood development by providing $2.5 billion over five years in grants to local collaboratives to strengthen services for young children. The bill also would encourage dedicated child care providers to stay in the profession by helping with the repayment of educational loans.

Increasing the availability and quality of school-age child care. The bill provides an additional $2 billion over five years through the Child Care and Development Block Grant to increase the supply and quality of school-age care in all settings. In addition, through the 21st Century Community Learning Centers, the legislation provides $600 million to encourage schools to create before- and after-school programs.

Supporting family choices in child care. The bill increases the Dependent Care Tax Credit for families earning under $60,000—a family earning $35,000 would see its benefit double from $480 to $1,080. In addition, the credit is refundable so that working families with little or no tax liability (those earning under $30,000) can receive assistance with child care expenses.

The legislation also allows stay-at-home parents with children under the age of one to claim a portion of the Dependent Care Tax Credit. This credit would also be made refundable to allow families earning under $30,000 to benefit.

Encouraging private-sector involvement. The bill creates a new discretionary program of competitive "challenge grants," in which communities that generate funds from the private sector could receive matched Federal dollars to improve the availability and quality of child care on a community-wide basis. This is authorized at $400 million over five years.

In addition, the legislation provides a 25 percent tax credit to employers for operating on-site child care centers; contracting for off-site child care; contributing to the costs of accreditation; or operating resource and referral systems.

Ensuring the quality of Federal child care facilities. The bill requires Federal child care centers to meet all applicable State licensing standards.

S. 18, the *SAFER Meat and Poultry Act (Safe and Fair Enforcement and Recall)*

Changes in the food industry have called for changes in the way we ensure the safety of our food supply. Meat and poultry plants have turned into large operations moving millions of pounds of products into grocery stores, restaurants, and our homes every day. A single contaminated lot of meat can be spread to consumers across the country in a few days. Our ability to assure the safety of our food and react rapidly to potential threats to food safety is critical not only for public health, but also for the vitality of both domestic rural economies and international trade.

Democrats in the 105th Congress successfully helped to improve food safety by securing an increase of $75.2 million to $633 million for Food Safety initiatives, including full funding for the Food Safety and Inspection Service, improvements in surveillance of food-borne illnesses, education about proper food handling, research, and inspection of imported and domestic foods. Democrats also worked to pass the *Agricultural Research Extension and Education Reform,* a bill authorizing $600 million over five years for—among other things—expanded food safety programs. Democrats will build on these accomplishments by working to pass **S. 18**, the *SAFER Meat and Poultry Act (Safe and Fair Enforcement and Recall).*

Democratic Leadership Initiative

S. 18 gives the Secretary of Agriculture modern, common-sense tools to combat food-borne illness. These tools will help to prevent meat and poultry from contamination by potentially deadly *E. coli* and *Salmonella* bacteria and allow the Secretary to move quickly and decisively to contain food-borne disease outbreaks. The bill would:

- require processors and handlers to notify the U.S. Department of Agriculture (USDA) about contaminated meat and poultry products;
- authorize USDA recall of unsafe products;

- clarify and reinforce the USDA's authority to refuse or withdraw inspection of plants that violate safety standards or procedures; and
- give the USDA the power to assess civil fines for violations.

S. 19, the *Agricultural Safety Net and Market Competitiveness Act*

Over the past two years, farmers and ranchers have experienced rapid and severe declines in crop and livestock prices. These prices are projected to remain at current low levels indefinitely, in all commodities. Farmers find themselves in dire straits due to a combination of economic and weather-related events, which they could neither control nor anticipate.

Democrats helped alleviate some of the problems facing America's farmers in the 105th Congress, successfully obtaining $6 billion in emergency relief for those suffering losses due to severe weather conditions and declining markets. However, Democrats recognize that tough times still lie ahead. In addition to continuing low prices, increasing concentration throughout the agricultural industry has obscured and distorted market signals that are fundamental to fair and free competition, which disproportionately affects smaller producers.

The Democratic Leadership Initiative

In the 106th Congress, Democrats will continue to work for farmers and will build on Democratic accomplishments by working to pass **S. 19**, the *Agricultural Safety Net and Market Competitiveness Act of 1999.* This broad-based initiative contains provisions to restore an economic safety net to producers so that they and their rural communities can withstand the current economic crisis and be healthy, strong and productive in the future.

The bill's provisions also will increase market transparency in agricultural markets domestically and abroad, revitalize competitive forces in the domestic marketplace for producers, and ensure that American producers have a fair opportunity to compete in foreign markets.

- **Counter-cyclical Income-loss Protection**—The bill includes a sense of the Senate resolution to consider strategies for offsetting extreme levels of income loss, resulting from economic and weather-related events that cannot be controlled or anticipated (Section 1).

- **Crop Insurance Availability and Affordability**—The bill contains a sense of the Senate resolution to pursue changes to the Federal crop insurance system that will increase the number of commodities eligible for coverage, increase access to products, and promote new strategies to manage producer risk (Section 2).
- **Expansion of Crop Insurance to Include Livestock**—The bill would amend the *Crop Insurance Reform Act* to authorize coverage of livestock (Section 3).
- **Mandatory Price Reporting**—The bill requires meat packers to report to the U.S. Department of Agriculture (USDA) the prices they pay for live cattle, hogs, and sheep and boxed beef. It also requires USDA to aggregate the data and make it publicly available on a real time basis through the Agriculture Marketing Service (AMS) (Section 4).
- **Mandatory Meat Labeling**—The bill requires country-of-origin labeling of beef, pork, and lamb. The bill also restricts the use of USDA quality grade to domestically produced beef, pork, or lamb (Section 5).
- **Inter-Agency Packer-Concentration Task Force**—The bill requires the President to establish an Interagency Task Force to investigate (1) alleged anti-competitive practices in the meat packing industry, and (2) affects on rural communities and the public at large of increasing concentration in many sectors of the agriculture industry (e.g., meat packing and processing, grain distribution and marketing, biotechnology) and industries that have a direct impact on agriculture, such as retail sales and transportation (Section 6).
- **Analysis of Potential Link between Credit and Market Concentration**—The bill requires the President to study whether public or private lending practices have contributed or are contributing to industry concentration. This study will focus on the appropriateness of credit eligibility requirements (explicit or otherwise) for (1) beginning farmers and ranchers, and (2) farmers and ranchers pursuing alternative management systems. The bill also requires recommendations of policies that promote credit suited to diverse producer needs (Section 7).
- **Analysis of Secretary's Powers Under Section 202 of the *Packers and Stockyards Act***—Section 202 of the *Packers and Stockyards Act* authorizes the Secretary to prohibit anticompetitive

activities in the meat packing industry. The bill requires the General Accounting Office (GAO) to analyze and provide a full explanation of the scope of authority given to the Secretary of Agriculture under this section (Section 8).

- **Production and Marketing Contracts**—The bill requires that all contracts (ledger contracts, production contracts, marketing contracts and agreements, etc.) must be filed with the Packers and Stockyards Administration prior to their effective date. Pursuant to the elimination of proprietary information, contracts shall be in the public domain (Section 9).
- **Promotion of Value-added Enterprises, New Markets**—The bill includes a sense of the Senate resolution that USDA identify and promote opportunities, resources and economic incentives for producers to expand participation in value-added processing, cooperative enterprises, and improved marketing and financial management techniques (Section 10).
- **Farmland Protection**—The bill authorizes the Secretary of Agriculture to provide grants to offset the expense of conservation easements to protect topsoil by limiting nonagricultural uses of agriculturally productive land (Section 11).
- **Special 301 for Fair Trade**—The bill authorizes the U.S. Trade Representative (USTR) to identify countries that deny fair market access or apply unjustified sanitary or phytosanitary (SPS) trade barriers to U.S. agricultural exports and to seek remedy by engaging them in expedited bilateral negotiations. In the event of failed negotiations, USTR would, among other things, be authorized to seek dispute settlement, seek compensation, or retaliate against foreign products, as permitted under general Section 301 authority (also Section 182 of the *Trade Act of 1974,* as amended) (Section 12).
- **Mandatory Negotiating Goals for 1999 World Trade Organization Talks**—Under **S. 19,** Congress is to establish mandatory minimum negotiating goals for the 1999 World Trade Organization (WTO) talks on agriculture (Section 13).
- **USTR Consultation with Senate Agriculture Committee on Agricultural Trade**—The bill requires USTR to consult with the Senate Agriculture Committee prior to signing any trade agreement comprising agriculture-related provisions (Section 14).

S. 20, the *Brownfields and Environmental Cleanup Act*

Tens of thousands of contaminated industrial sites sit abandoned across the country. Known as "brownfields," these sites are not contaminated enough to qualify for cleanup under the Superfund program. However, they pose health risks to local residents and remain largely undeveloped, impeding economic progress throughout the country's urban, suburban and rural landscape. Brownfields need to be cleaned up in order to encourage job growth, clean the environment, reduce sprawl around cities, and improve overall quality of life for millions of Americans.

In just the three years since it started, the EPA Brownfields Economic Redevelopment initiative has launched 226 brownfields pilots across the country, leveraged more than $1 billion in private funds, and created more than 2,000 jobs, with tens of thousands more projected. Now, Democrats are working with the EPA and pushing this environmental initiative to make brownfields cleanup and redevelopment easier.

Democratic Leadership Initiative

S. 20, the *Brownfields and Environmental Cleanup Act of 1999,* will facilitate the cleanup and development of brownfields by encouraging States and municipalities to work with private sector developers.

Grants for inventory and assessment. Grants to local, State and tribal governments for the inventory and assessment of brownfields sites would enable interested parties to know how many sites exist and whether and what kind of cleanup actions each site would require. The bill authorizes $35 million per year from the Superfund for five years.

Grants to capitalize low-interest loans. Another set of grants would promote voluntary cleanup actions by enabling local, State, and tribal governments to make low-interest loans—where traditional lending mechanisms may not be available—to prospective buyers, municipalities and other for the cleanup of brownfield sites. The bill authorizes $50 million per year from the Superfund for five years.

Liability relief for interested parties. In addition, the bill would provide Superfund liability relief for a number of parties potentially affected by brownfields. Relief would be given to prospective purchasers who are not responsible for contamination and do not impede the performance of site cleanup or restoration, provided that all appropriate inquiries were made prior to acquisition. The bill would clarify relief from Superfund liability for landowners who had no reason to know of contamination at the time of purchase, provided they have made "appropriate inquiry," such as an environmental site assessment done within 180 days prior to acquisition. Relief also would be provided to contiguous property owners who own or operate property contaminated solely because of a release from a contiguous property—one not caused by or contributed to by the owner.

S. 74, the *Paycheck Fairness Act*

Nearly thirty-five years ago, President Kennedy called the *Equal Pay Act* the first step in addressing "the unconscionable practice of paying female employees less wages than male employees for the same job." When President Kennedy signed the *Equal Pay Act* in 1963, women earned 61 cents for each dollar earned by a man (Bureau of the Census).

Nearly four decades later, the earning power of women relative to men has not improved significantly. In 1997, a working woman still earned on average only 74 percent of the wage earned by a man (Bureau of the Census).

In addition, lower pay over a lifetime of work makes it far more difficult for women to save adequately for retirement. The average American woman loses approximately $420,000 in wages and benefits over the course of her life because of unfair pay practices (Bureau of the Census). Because the average woman lives seven years longer than a man, women need to stretch fewer dollars over a longer period of time.

In today's competitive economy, pay equity is not just a women's issue, but also a family issue. The *Paycheck Fairness Act* would bring equality and economic stability to women and their families.

Democratic Leadership Initiative

The *Paycheck Fairness Act* seeks to:

- toughen the remedy provisions of the *Equal Pay Act,* by allowing compensatory and punitive damages when appropriate and making it easier for cases to proceed as class actions;
- train Equal Employment Opportunity Commission (EEOC) staff to better handle wage disputes;
- recognize the achievements of the employers who have worked to eliminate pay inequality; and
- establish the sense of the Senate that the President should take steps to increase information about pay equity.

Conclusion

Republicans demonstrated a lack of direction in the 105th Congress, leaving a legacy of inaction and failure to meet basic legislative responsibilities.

By contrast, Democrats continue to advance a common-sense agenda that reflects what is most important to working Americans and their families: better health care, improved public schools, enhanced income security, safer streets and neighborhoods, improved access to health care and better services for seniors, sound campaign finance reform, more accessible child care, a safer food supply, additional relief for farmers, and a cleaner environment.

These Democratic policy initiatives will benefit millions of Americans. They are a continuation of Democrats' historic commitment to improving the lives of working families. They speak to kitchen table issues that American families deal with every day. And they represent new opportunities that will work to make America even stronger and better for future generations.

"THE EARLY LEARNING TRUST FUND"

Promoting Early Educational Development

Need: The federal government runs a variety of programs for pre-school children but serve far less than those who are eligible. For example, some 40% of pre-school age children are served by Head Start, and less than 2% of eligible children are currently served by Early Head Start. States are increasingly creating pre-k programs and investing in early education. However, even with the increase in early investments in children only 58% of children above the poverty line are receiving pre-school services. In addition, only 10% of eligible children are served by CCDBG, and even when families do receive child care assistance children often do not receive quality services that promote school readiness.

Ten years ago, the nation's governors developed a set of education goals designed to improve the quality of education in America. The #1 goal was that by the year 2000, all children should enter school "ready to learn." While it is no longer possible by the year 2000, realizing this goal is essential. The federal government has always been involved in helping families (particularly poor and low-income families) secure the services essential to school readiness (sometimes providing 50% or more of the resources).

Solution: "Early Learning Trust Fund"

Summary of Legislation

States shall receive money to use for the following activities (dedicated funding source for early education):

- Expand the Early Head Start activities and strengthen linkages with existing early intervention programs under IDEA, in response to the new brain development research documenting the importance of early learning.

- Expand Pre-K to promote school readiness and link to services for children with special needs and to expand full-day, full-year services.

- Expand Head Start activities to increase the enrollment in and the responsiveness to the need of families for full-day, full year services.

- Enhance educational and comprehensive services and supports in child care for more young children of low-income families, and children with special needs.

- Create demonstration projects, including an exploration of public-private partnerships to expand family medical leave and paid leave to enable parents with infants and toddlers to choose to temporarily stay home.

SENATOR KENNEDY'S PROPOSAL 1/27/99

Priority: Priority should be given to programs that meet the needs of working families and those programs with linkages to SCHIP and Medicaid enrollment.

* There will be no income eligibility requirement
* 75% federal 25% state match
* Funds for this program should not reduce funding for other federal programs which can serve this age group

Costs: $15B/5 yrs to serve 1 million children per year when fully phased in.

Department Responsible for Oversight: The Department of Health and Human Services is responsible for monitoring and oversight of the program.

Dispensing of Funds: Funds should be dispensed according to a formula that takes into account the relative number of children aged 0-5 years in the state. Money will go to the governor of the state. The Governor will send the money to the local communities with a proposed method of dispensing the funds.

SUGGESTIONS AND COMMENTS
CONCERNING THE EARLY LEARNING TRUST FUND

Additional Allowable Uses of Funds:

- Add training grants to communities

- Add linking to health services to prevent social and biological development that threatens normal development

- Add literacy training to promote early literacy with parents and children

- Add professional development quality for early education providers

- Add home-visitation "family research centers" (replace FMLA demonstration project)

- Add school readiness issue think tank or centers

- Delete FMLA and paid leave demonstrations

Safety Precautions for Head Start:

- Give states power to contract with HS to extend day and year and to do training

- The only money to HS is for the purpose of expanding to full-day, full-year services

Misc:

- Change title to "The Early Learning and School Readiness Trust Fund"

- Create Incentive Grants instead of entitlement money

- Include NAEYC accreditation standards or Head Start Standards for the education components

- Specify quality in child care and add HS educational standards

- Include the research and referral agencies

- Include strong language to support collaboration

- Include language encouraging transition to public school

FAX TRANSMISSION

DEMOCRATIC OFFICE OF
THE UNITED STATES SENATE
COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

TO: Jennifer Klein

FROM: Stephanie Robinson

FAX #: 456-9412

DATE: 1/12 TOTAL PAGES (INCLUDING COVER) 3

IF THERE ARE ANY PROBLEMS RECEIVING THIS TRANSMISSION, PLEASE CALL (202) 224-0767.

RETURN FAX #: (202) 224-5128

COMMENTS:
Here's our Draft proposal. Let me know your thoughts. Thanks.

DRAFT

SENATOR KENNEDY'S PROPOSAL

"THE EARLY LEARNING TRUST FUND"

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FOR IMMEDIATE RELEASE
Tuesday, March 16, 1999

Contact: Michael Kharfen
(202) 401-9215

Statement of Donna E. Shalala
Secretary of Health and Human Services
On the Child Care Improvement Act of 1999

"I am extremely pleased that Reps. Tauscher and Cardin and their colleagues are introducing legislation today that addresses the child care needs of low and moderate income working families. The Child Care Improvement Act of 1999, sponsored by Rep. Cardin, and the Affordable Child Care, Education, and Security Act (ACCESS), sponsored by Rep. Tauscher and others, are comprehensive bills that address the primary child care concerns of America's families. These proposals embody the core elements of the child care initiative included in the President's FY 2000 budget.

"When it comes to addressing the needs of America's working families, we must begin with child care. Because whenever I talk with working parents, the conversation inevitably turns to their child care concerns. Consistently, they tell me that the three biggest child care headaches are: Can I find it? Can I afford it? Can I trust it? That's why the President proposed his child care initiative, the largest single investment in child care in our nation's history. The initiative will help answer those questions by creating more care, by providing greater tax relief for working parents, and by improving the quality of care. It will also give child care a giant booster shot.

"Of course, child care is more than a family concern, and it's more than a community concern. It's a national concern, because today's children will define our nation's course and determine its greatness. Fortunately, leaders like Reps. Tauscher and Cardin, and many of their colleagues, understand this. They know that child care is not a nagging, personal expense, but a fundamental national investment.

"These bills will help parents pay for child care, and they will assist states, communities and employers to improve the safety and quality of care. In other words, they will help families find, afford and trust child care. But because we believe that all parents deserve help, these bills also provide new tax relief for parents who choose to stay at home and care for their children.

"These proposals, like the President's initiative, are not only an investment in child care. They are an investment in America's families, in America's future and in the possibility and potential of every child. Parents should never have to choose between being a good worker and a good parent. I urge all members of the 106th Congress to join together in a bipartisan fashion to enact child care legislation this year, and help America's working families."

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THE 1999 DEMOCRATIC AGENDA: FAMILIES FIRST

Continue on the path of fiscal responsibility by investing the surplus to save Social Security and Medicare and pay down the debt to keep our economy growing. Act now to meet the challenges of the 21st century, including quality education for children and secure retirement and quality care for seniors. Enable families to meet their responsibilities at home and at work.

Invest the Surplus to save Social Security and Medicare and Pay Down the Debt

Save Social Security: Reserve 62 percent of the projected budget surplus to preserve Social Security until 2055; Allow the trust fund to invest about one-fifth of the transferred surpluses in the private sector to achieve higher returns for Social Security just as any state or local government, or private pension does. Work to achieve a broad consensus for reforms necessary to extend Social Security to at least 2075, while reducing poverty among elderly widows, and eliminating the earnings limit.

Strengthen Medicare for the 21st Century: Reserve 15 percent of the projected surpluses for Medicare, ensuring that the Medicare Trust Fund is secure for 20 years. Work to enact further changes to strengthen and modernize the Medicare program, including adding prescription drug benefits.

Pay Down the Debt: Investing 77% of the surplus into Social Security and Medicare will reduce the national debt to the lowest level since 1917 and save taxpayers hundreds of billions of dollars in interest charges.

Quality Education: Modernize Schools, Reduce Class Size, and Provide Accountability

School Modernization: Federal tax credits will enable states and school districts to modernize and renovate 6,000 local public schools, to improve learning conditions, end overcrowding and make room for smaller classes.

Smaller Classes: Finish the job of hiring 100,000 new teachers over the next seven years to reduce class size in grades 1-3 to a national average of 18, making sure that every child gets a solid foundation in the basics.

Build Accountability Measures into federal support for education to ensure that school districts and states provide every student with a high quality education, building on proven reforms now being implemented in states and cities.

Teacher Training and Recruitment: Increase support for teacher training in subject-matter knowledge and teaching expertise; establish new incentives to recruit highly qualified teachers.

Education Technology: Continue to provide schools with Internet capacity and resources for teacher training and integrating technology into the curricula; protect the e-rate discount for schools and libraries and new teacher training.

Enable Families to Succeed at Home and at Work

Protecting Patients through a Strong, Enforceable Patients Bill of Rights: The Patients' Bill of Rights should contain a range of protections, including guaranteed access to needed specialists, access to emergency room services, access to a meaningful independent and external appeals process, and the right to be compensated.

Continue to Expand Access to Quality, Affordable Health Care by enabling Americans age 62-65 and displaced and retired workers ages 55 to 65 to buy into Medicare if they lose coverage.

Ensure Opportunity for Americans with Disabilities by enabling workers with disabilities to buy into Medicaid and Medicare, a $1000 tax credit, to help the working disabled and support for assistive technologies.

Child Care: Improve the accessibility and safety of child care through expansion of the child care and development block grant to help working families and improve quality by increased training and support services for care givers.

After School Care: Increase after school care to enable 1.1 million children each year to participate in after school and summer school programs that give them additional learning time and keep them safe and off the streets.

Secure Retirement for Seniors and Protect Pensions

Expand Pension Benefit Coverage: Create a new plan that will make it easier for small businesses to start private pension plans that provide predictable and secure benefits, and for employees to save in IRAs through payroll deductions; Permit employees to rollover benefits from different types of retirement plans.

Strengthen Women's Retirement Security: Allow workers to count time taken under the Family and Medical Leave Act toward their retirement benefits and require pension plans to let families choose joint and survivor annuity options.

Targeted Tax Cuts for Retirement Savings, Child Care, and Long Term Care

Retirement Savings: Devote 12% of the surplus to USA Accounts, enabling working families to save for their own retirement in private accounts.

Child Care: Provide greater tax relief for working families who pay child care expenses, tax credits to businesses that provide child care services, and tax credits for stay at home parents.

Long Term Care: Provide $1,000 tax credits for elderly and disabled individuals needing long-term care and the family members who care for them; provide support services to caregivers and offer long term care insurance to federal employees.

50,000 More Cops with 21st Century Tools

More Police on the Streets: Help communities put up to 50,000 more law enforcement officers on the beat over five years, and help state and local enforcement agencies communicate more effectively and use modern technology to solve crimes.

Raise the Minimum Wage and Enforce Fair Pay

Raise the Minimum Wage: Recognize the value of work and support working families; give millions of Americans a pay raise by increasing the minimum wage.

Ensure Equal Pay: Help guarantee equal pay for women and men by stronger enforcement of equal pay laws, ending wage discrimination, and improving access to wage information for all workers.

Protect the Environment and Improve Livability

Protect Our Environment and our families' safety by ensuring clean air and safe food; strengthening clean water protections; continuing accelerated toxic waste clean up and making polluters pay; and spurring new environmental technologies through targeted tax cuts; providing lasting protection for national parks and other natural treasures.

Help Build Livable Communities: Provide new tools and resources to help communities across America reduce traffic congestion, preserve green space, and grow in ways that ensure a high quality of life and strong, sustainable economic growth.

Crackdown on Crimes Against Seniors

Give Law Enforcement Officials Additional Tools to prosecute criminals who target seniors, such as through telemarketing schemes.

Reduce Unnecessary and Illegal Medicare Costs by cracking down on fraud and abuse in the Medicare system.

Privacy

Protect Individuals' most personal records by ensuring appropriate treatment for medical records, addressing abusive practices such as pretext calling for financial records and enhancing enforcement of existing laws.

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Washington, DC 20515-4603

February 11, 1999

Nicole,
For your files.
— Karin K.

The Honorable William J. Clinton
President
1600 Pennsylvania Avenue, NW
1st Floor, West Wing
Washington, DC 20500

Dear Mr. President:

I write to offer my support for a scheduling request from McCord Consumer Direct (MCD) in Newport News, Virginia, that you consider visiting their McCord Learning Center, an on-site child care center.

McCord Consumer Direct is a subsidiary of McCord Travel Management, Chicago, the ninth largest travel management company in the United States. The Newport News facility operates 24 hours per day, 7 days per week, and 365 days per year. MCD recognized that this schedule can create difficulty in obtaining affordable, quality child care for its employees who are parents and have provided on-site child care services as a benefit for their employees.

The McCord Learning Center is a cooperative joint venture with Bellwood Tender Care and is housed in 7300 square feet of space adjacent to their present phone center. It is supplied with computers, softwear and internet connectivity and educational instruction. The Center has a capacity of 100 children and is unique in its extensive hours (7 days a week from 6am to 2am) and its sick rooms, which will allow mildly ill children to remain at the center.

A visit to this unique business site would provide you with an excellent opportunity to highlight your goals of expanding quality child care and encouraging businesses to develop innovative ways to help strengthen families.

I hope that you will give your full consideration to McCord Consumer Direct's proposal.

Very truly yours,

Bobby Scott

Robert C. "Bobby" Scott
Member of Congress

RCS/mk