cc: Jennifer Klein

THE WHITE HOUSE

WASHINGTON

October 14, 1997

Dear Herb:

Thank you for writing concerning the White House Conference on Child Care. I appreciate your offer of assistance as we consider the structure of the conference and possible policy initiatives.

I have asked Jennifer Klein of my Domestic Policy staff to contact your staff to discuss your proposal in greater detail. Please know that I value your input as we begin to make difficult decisions about how to spend limited resources on child care.

I look forward to continuing our work together on this and other issues of importance to our nation's children.

Sincerely,

Bill

The Honorable Herb Kohl
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

'97 OCT 10 PM1:35

October 10, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: **SUSAN BROPHY** SB

SUBJECT: **CONGRESSIONAL CORRESPONDENCE**

Attached for your signature is a letter in response to Sen. Herb Kohl's offer to assist in the substantive development of the White House Conference on Child Care.

HERBERT KOHL
WISCONSIN

WASHINGTON OFFICE:
330 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-5653
T.D.D. (202) 224-4464

COMMITTEES:
APPROPRIATIONS
JUDICIARY
SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510-4903

September 3, 1997

The Honorable William Clinton
President
The White House
1600 Pennsylvania Ave.
Washington D.C. 20500

SEP 9 PM 2:31

Dear Mr. President:

I was delighted to hear that the White House will soon be sponsoring a major conference on child care and early childhood education. With the implementation of welfare reform, and the influx of parents into the workforce, we must face the question of where and how our youngest children spend their days. I applaud your decision to focus on the early education challenges that face our nation and the child care problems that face most working families.

I and my staff would like to be involved in the conference in any way you might find appropriate. In addition, in the event you are preparing a legislative initiative related to early childhood education and child care, I would like to offer my assistance. As you may know, the only Democratic amendment to the two reconciliation bills to win in a floor vote was an amendment I sponsored creating tax credits for companies that offer child care to their employees' dependents. Though that initiative did not survive conference, it does have the bipartisan support of 72 Senators, numerous advocacy groups, and private companies.

I would urge you to consider including this provision in any legislation you propose, and I would be happy to work with your staff on the details. During the reconciliation conference negotiations, I talked extensively to the Treasury Department and Secretary Rubin about this measure, and I believe they are fully supportive. I have also had discussions about it with many members of the White House staff, and again, I think there is support for the provision there. I am enclosing a fact sheet on the measure, and I look forward to discussing it with your staff further.

Again, congratulations on your foresight in focusing on child care and early childhood education. There is perhaps no other area in which small investments now can pay off so much for future generations and for our nation. Please feel free to contact me about the details of your conference, or have your staff contact Kate Sparks or Paul Bock of my office.

Sincerely,

Herb Kohl

Herb Kohl
U.S. Senator

SENATOR KOHL'S CHILD CARE BUSINESS TAX CREDIT

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

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

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

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

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

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

Child Care Planning Meetings

House Democratic Leadership, 9/24/97:

1. Craig Hanna-- Gephardt
2. Andie King-- Gephardt
3. Deb Colton-- Ways and Means
4. Broderick Johnson-- Ed and Work
5. Gail Weiss-- Ed and Work
6. Sheryl Smith-- Appropriations
7. Rob Cogorno-- Gephardt

House Rpeublican Leadership, 10/6/97

1. Ren Haskins-- Bill Archer
2. Cassie Bavin-- Bill Archer
3. Richard Stombres-- Bill Goodling
4. Denzel McGuire-- Bill Goodling
5. Bob Knisely-- Robert Livingston

House New Democrats, 9/25/97:

1. Geri O'Sullivan-- McCarthy
2. Phil Singer-- Rothman
3. Jennifer Martella-- LaFalce
4. Abby Hochberg-- Lampson
5. Shannon Ashpole-- A. Smith
6. Stephen Stefanski-- John
7. Amy Bressler-- Pascrell
8. Stacy Stordahl-- Kind
9. Beth Beausang-- Allen
10. Anstice Brand-- Moran
11. Gina Mahony-- Roemer
12. Mark Harkins-- Price
13. Lisa Quigley-- Dooley

House Congressional Hispanic Caucus, 9/26/97:

1. Aylin Kuyumeu-- Sanchez
2. Selena Walsh-- Pastor
3. Henry Contreras-- Roybal-Allard
4. Joshua Tenorio-- Underwood
5. Marilyn Ramos-- Velazquez
6. Ricardo Martinez-Pumerejo-- Romero-Barcelo

7. Jeff Mendelsohn-- Rodriguez
8. Pedro A. Pla-Davila-- Becerra

House Women's Caucus, 9/29/97:

1. Erin Prangley-- Norton
2. Ken Kero-- Tauscher
3. Pearle Jones-- Barton
4. Kraabel, Patsy-- Carson
5. Geri O'Sullivan-- McCarthy
6. Maura Dalton-- Eshoo
7. Cindy Pellegrini-- Slaughter
8. Terri McCullough-- Pelosi
9. Aimee Feinberg-- Woolsey
10. Becky Solay-- DeLauro
11. Marilyn Ramos-- Velazquez
12. Robin Swanson-- McCarthy
13. Kathryn Pearson--Morella
14. Sandy Zimmer-- Morella
15. Liz Powell-- Millender-McDonald
16. Joan Clarle-- Johnson

House Congressional Black Caucus, 10/6/97:

1. Donna Crews-- Waters
2. Abdullah Payton-- Scott
3. Monique Clendinen-- Christian-Green
4. Jennifer Simon-- Dellums
5. Elizabeth Dougles-- Lewis
6. Maya Rockeymoore-- Watt
7. Joseph Lee-- Waters

Senate Democratic Leadership, 9/29/97:

1. Julie Eckert-- Kerrey
2. Stephanie Robinson-- Kennedy
3. Jeanne Ireland-- Dodd
4. Janine Jones-- Moseley-Braun
5. Joanna Slaney-- Moseley-Braun
6. Paul Seltman-- Budget
7. Heidi Bonne-- DPC
8. Opal Winebrenner-- Bryan
9. Lisa Linnell-- Conrad
10. Deborah Walter-- Bingaman
11. Kate O'Malley-- Boxer
12. Jim Jepsen-- Durbin

13. Bev Schroeder-- Harkin
14. Elyse Wasch-- Reed
15. Greg Williamson-- Murray
16. Rick Remish-- Rockefeller
17. David Kass-- Kerry
18. Donna Denison-- Landrieu
19. Paul Thornell-- Daschle
20. Elizabeth Goldon-- Breaux

<u>Senate Republican Leadership, 10/3/97</u>

1. John Cerisano-- Gramm
2. Hope Hegstrom-- Grassley
3. Dennis Smith-- Roth
4. Pamela Maimer-- DeWine
5. Angie Stewart-- Warner
6. Scott Olson-- Baucus
7. Kimberly Barnes-O'Conner-- Jeffords
8. Stacey Hughes-- Nickles
9. Erin Hickman-- Nickles
10. Maggie Smolen-- Murkowski
11. Gary Blank-- Murkowski
12. Stephanie Robinson-- Kennedy

October 8, 1997

Dear Senator Kohl:

Thank you for your letter about the White House Conference on Child Care. I very much appreciate your offer of assistance as we consider the structure of the conference and possible policy initiatives.

I have asked Jennifer Klein to contact your staff to discuss your proposal in more detail. As always, I value your input as we begin to make difficult judgments about how to spend limited resources on child care.

I look forward to continuing to work with you on this as well as other important issues affecting our children.

Sincerely,

THE WHITE HOUSE

WASHINGTON

Jen Klein

September 15, 1997

MEMORANDUM FOR Bruce Reed

FROM: SUSAN BROPHY
LEGISLATIVE AFFAIRS

SUBJECT: CONGRESSIONAL CORRESPONDENCE

Enclosed please find a copy of a letter that was sent to the President by Sen. Herbert Kohl (D-WI).

The President has requested that he see and sign every letter going to Capitol Hill. We did not want to fully answer the issues addressed in the Members' letter without advice from your office; therefore, I am requesting that your office draft a response and return it to Chris Walker.

Thank you very much for your assistance in this matter. If you have any questions, please feel free to call Chris at 456-7500.

Enclosure

HERBERT KOHL
WISCONSIN

WASHINGTON OFFICE:
330 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510
(202) 224-5653
T.D.D. (202) 224-4464

United States Senate

WASHINGTON, DC 20510-4903

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Sincerely,

Herb Kohl

Herb Kohl
U.S. Senator

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310 WEST WISCONSIN AVENUE
MILWAUKEE, WI 53203
(414) 297-4451
T.D.D. (414) 297-4486

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(715) 832-8424

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4321 WEST COLLEGE AVENUE
SUITE 235
APPLETON, WI 54914
(414) 738-1640

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9/24/97

Jennifer—

Attached is a copy of a recent press release we did & thought you would like to see [in case you did not receive a copy at the Sept. 17 meeting. It went out to 1,400 family beat reporters at the beginning of September.

Karen

early care
and education

NEWS RELEASE

For Immediate Release | Use Through: September 1997

Contacts: **ELLEN LUBELL,** Child Care Action Campaign, 212/239-0138
KATHY BONK, Communications Consortium Media Center, 202/326-6767

GROWING CHILD CARE CONCERNS PROMPT ACTION BY CONGRESS AND WHITE HOUSE

Washington, D.C. – An increasing number of child care bills addressing the affordability, quality, and availability of child care have been introduced in Congress over the past several months reflecting a growing concern of American families. The proposed legislation is timely: New research demonstrates the importance of quality child care to a young child's developing brain and the demand for child care continues to rise among working families and those who must move from welfare to work. This has cast a spotlight on the struggle parents face trying to find and pay for good quality child care.

A majority of the bills address affordability by providing tax credits to help families and/or businesses that help families pay for child care. Some bills address affordability and availability of child care for working families or the many parents who must move from welfare to work. Several bills address affordability by providing increases in child care funding through established federal funding streams such as Temporary Assistance for Needy Families and the Child Care and Development Block Grant. Other bills have been introduced to address early childhood development concerns as well as the need for school-age care.

"National policymakers are recognizing that families need more help in paying for child care and that quality child care is important to both children and families," says Helen Blank, Director of Child Care Development at the Children's Defense Fund. "With the recent brain research that shows good quality, nurturing care is of critical importance during the earliest years, it is more apparent than ever that we need to invest the dollars in child care and early education now to save money later." The White House has announced plans to host a national child care conference on October 23 as a follow-up to its Conference on Early Childhood Development in April of this year.

For many working families, child care is the third largest household expenditure after housing and food. It was reported at a recent Senate hearing that a family spends, on average, $4,600 per year on child care; however, high quality child care can cost a family up to $9,100 per year. Child care takes an even bigger share of low-income working families' paychecks. According to the U.S.

Census Bureau (1995), families whose monthly income was less than $1,200 paid 25 percent of their income for child care.

Policymakers also are recognizing that employers play an important role in helping families find and pay for quality child care. Some of the bills introduced reward businesses that provide child care benefits for their employees with tax credits. A growing number of employers are providing child care benefits for their employees and are investing to improve and expand child care resources in their communities, finding this a cost-effective way of helping their own employees and the communities in which they do business.

"Good quality child care supports the productivity of today's workforce and the preparation of tomorrow's workforce," says Gail Richardson, Interim Executive Director of the Child Care Action Campaign. "Child care is an essential element to the economic survival of millions of working families across this nation."

SELECT 1997 PROPOSED CONGRESSIONAL LEGISLATION INCLUDES:

EARLY CHILDHOOD BILLS	
S. 1037 CIDCARE—Creating Improved Delivery of Childcare: Affordable, Reliable, and Educational Act **SPONSOR**: Sen. Jim Jeffords (R-VT). Phone: 202/224-5141. **CO-SPONSOR(S):** Sen. Christopher Dodd (D-CT). Phone: 202/224-2823. Including one other co-sponsor. **STATUS:** Read twice and referred to the Committee on Finance 7/17/97.	♦ Expands the Dependent Care Tax Credit (DCTC) to make it refundable and provide increased assistance to families using accredited child care programs. ♦ Expands the Dependent Care Assistance Plans (DCAP) to provide increased assistance to families using accredited child care programs. ♦ Provides a $260 million competitive grant to promote innovative approaches that improve quality of child care services, expand the use of higher standards associated with accreditation or credentialing, and promote professional development. ♦ Gives employers a tax credit for contributions to child care arrangements for their employees and a charitable deduction for donating educational equipment to qualified providers. ♦ Includes other provisions to expand the supply of and improve the quality of child care.
S. 756 Early Childhood Development Act of 1997/Time for Schools Act of 1997 **SPONSOR:** Sen. John Kerry (D-MA). Phone: 202/224-2742. **CO-SPONSOR:** Sen. John D. Rockefeller (D-WV). Phone: 202/224-6472. Including seven other co-sponsors. **STATUS:** Read twice and referred to the Committee on Labor and Human Resources 5/15/97.	♦ Assists communities in funding services for children ages 0-5. ♦ Increases the Child Care and Development Block Grant by $10 million over five years to help families with children pay for and find quality child care and assists states in improving the quality of child care. ♦ Increases funds for Early Head Start from the current 5 percent to 9 percent by 2002. ♦ Allows loan forgiveness for child care workers who earn an associate's, bachelor's, or master's degree in early childhood development and works in the child care setting for at least two years. ♦ Authorizes full funding of the WIC Program.

S. 1029 Quality Child Care Loan Forgiveness Act **SPONSOR:** Sen. Mike DeWine (R-OH). Phone: 202/224-2315. **CO-SPONSOR(S):** Sen. Paul D. Wellstone (D-MN). Phone: 202/224-5641. Including one other co-sponsor. **STATUS:** Read twice and referred to the Committee on Labor and Human Resources 7/17/97.	♦ Provides loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession for at least two years as well as provides loan cancellation for certain child care providers.
H.R. 1373 Early Learning Opportunity Act of 1997 **SPONSOR:** Rep. Rosa DeLauro (D-CT). Phone: 202/225-3661. **CO-SPONSOR(S):** Rep. Steny Hoyer (D-MD). Phone: 202/225-4131. Including 26 other co-sponsors. **STATUS:** Introduced on 4/17/97 and referred to the Subcommittee on Early Childhood, Youth and Families 5/9/97.	♦ Creates early learning grants to states on a competitive basis to improve quality of child care. ♦ Expands the Family and Medical Leave Act to include employers of 25 or more employees. ♦ Increases funds for Head Start and Early Head Start to 9 percent by 2002. ♦ Increases the percent of Head Start funds allocated to training from 2 to 3 percent.
H.R. 131 Zero to Three Resolution for Early Childhood Development **SPONSOR:** Rep. Joseph Kennedy, II (D-MA). Phone: 202/225-5111. **CO-SPONSOR(S):** Rep. Richard Gephardt (D-MO). Phone: 202/225-2671. Including 64 other co-sponsors. **STATUS:** Introduced on 4/24/97. Referred to the Subcommittee on Early Childhood, Youth and Families on 5/9/97.	♦ Stipulates that federal funding should be available to meet the needs of infants and toddlers to various programs that include the Healthy Start program, the Special Supplemental Nutrition Program of Women, Infants, and Children (WIC), Head Start programs, programs for infants and toddlers with disabilities, and programs under the Child Care and Development Block Grant of 1990.
LEGISLATION GENERATED BY THE 1996 WELFARE ACT	
S. 19 Working Families Child Care Act of 1997 **SPONSOR:** Sen. Christopher Dodd (D-CT). Phone: 202/224-2823. **CO-SPONSOR(S):** Sen. Tom Daschle (D-SD). Phone: 202/224-2321. Including eight other co-sponsors. **STATUS:** Read twice and referred to the Committee on Labor and Human Resources 1/21/97.	♦ Adds $1 billion a year to the Child Care and Development Block Grant to help families pay for child care and $500 million a year to help states and communities expand the supply of child care.
H.R. 899 Working Families Child Care Act of 1997 (Similar Bill to S. 19) **SPONSOR:** Rep. Lynn Woolsey (D-CA). Phone: 202/225-5161. **CO-SPONSOR(S):** Rep. John Conyers, Jr. (D-MI). Phone: 202/225-5126. Including 13 other co-sponsors. **STATUS:** Introduced 2/27/97. Referred to Subcommittee on Early Childhood, Youth and Families 3/14/97.	♦ Amends the Child Care and Development Block Grant Act of 1990 to authorize appropriations for grants to states for child care for (1) low-income working families; and (2) areas with child care shortages.
H.R. 1615 (No Official Title) **SPONSOR:** Rep. Lynn Woolsey (D-CA). Phone: 202/225-5161. **CO-SPONSOR(S):** Del. Eleanor Holmes Norton (D-DC). Phone: 202/225-8050. **STATUS:** Introduced and referred to the Committee on Ways and Means 5/14/97.	♦ Prohibits states from sanctioning mothers on welfare who have children up to age 11 (instead of age 6 as in current law) if they can't find affordable and safe child care.

S. 93 A Bill to Increase Funding for Child Care Under the Temporary Assistance for Needy Families Program **SPONSOR**: Sen. John Kerry (D-MA). Phone: 202/224-2742. **NO CO-SPONSOR(S)** **STATUS:** Read twice and referred to the Committee on Finance 1/21/97.	♦ Increases appropriations for child care under the TANF program of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
SCHOOL AGE BILLS	
S. 882 After School Education and Safety Act of 1997 **SPONSOR:** Sen. Barbara Boxer (D-CA). Phone: 202/224-3553. **NO CO-SPONSOR (S)** **STATUS:** Read twice and referred to the Committee on Labor and Human Resources 6/11/97.	♦ Improves the academic and social outcomes for students by extending after-school hours for schools to provide child care, productive activities, and community support for children during after-school hours via grants.
H.R. 1818 Juvenile Crime Control and Delinquency Prevention Act of 1997 **SPONSOR:** Rep. Frank Riggs (R-CA). Phone: 202/225-3403. **CO-SPONSOR(S):** Rep. Matthew Martinez (D-CA). Phone: 202/225-5464. Including ten other co-sponsors. **STATUS:** Bill passed House 7/15/97. Received in the Senate and read twice and referred to the Committee on Judiciary 7/16/97.	♦ Creates a block grant that could be used for school-age child care. The Senate Judiciary Committee is considering a similar bill (S. 1015).
TAX CREDIT BILLS	
S. 1037 CIDCARE – Creating Improved Delivery of Childcare: Affordable, Reliable, and Educational Act	See Bill Description Under Early Childhood Bills.
H.R. 1667 – A Bill to Increase the Sliding Fee Scale for the Dependent Care Tax Credit, Giving More Benefits to Low- and Middle-Income Families. **SPONSOR:** Rep. Nancy Johnson (R-CT). Phone: 202/225-4476. **NO CO-SPONSOR(S)** **STATUS:** Introduced and referred to the House Committee on Ways and Means 5/20/97.	♦ Changes the slide to a 40 percent credit for families who earn $15,000 or less (from current policy of 30 percent at $10,000 or less) and a 20 percent credit at $44,000 (instead of the current policy of 20 percent at $28,000). ♦ Provides a tax credit to families who need respite care.
S. 65 – A Bill to Improve the Dependent Care Tax Credit (No Official Title). **SPONSOR:** Sen. Olympia Snowe (R-ME). Phone: 202/224-5344. **NO CO-SPONSOR(S)** **STATUS:** Read twice and referred to the Committee on Finance 4/25/97.	♦ Similar Bill to H.R. 1667 - Exception: Makes the Dependent Care Tax Credit refundable so it would be available to low-income families who have no tax liability.

S. 548 Child Care Expansion Act **SPONSOR:** Sen. Pat Roberts (R-KS). Phone: 202/224-4774. **CO-SPONSOR(S):** Sen. Thad Cochran (R-MS). Phone: 202/224-5054. Including three other co-sponsors. **STATUS:** Read twice and referred to the Committee on Finance 4/10/97.	♦ Expands the Dependent Care Tax Credit by increasing the amount of employment-related expenses from $2,400 to $3,600 for one child and from $4,800 to $5,400 for two or more children and allows the maximum 30 percent credit for families with an income of $20,000 or less. ♦ Expands the availability and affordability of quality child care through the offering of incentives to businesses that support child care activities. ♦ Encourages older Americans already participating in federally-supported programs to provide child care services.
S. 926 Working Family Child Care Tax Relief Act of 1997 **SPONSOR:** Sen. Tom Harkin (D-IA). Phone: 202/224-3254. **CO-SPONSOR(S):** Sen. Patty Murray (D-WA). Phone: 202/224-2621. **STATUS:** Read twice and referred to the Committee on Finance 7/17/97.	♦ Increases the expense amount for the Dependent Care Tax Credit for families earning $50,000 a year or less from $2,400 to $4,000 for one child and from $4,800 to $8,000 for two or more children.
S. 82 Child Care Infrastructure Act of 1997 **SPONSOR:** Sen. Herbert Kohl (D-WI). Phone: 202/224-5653. **CO-SPONSOR(S):** Sen. Orrin Hatch (R-UT). Phone: 202/224-5251. Including one other co-sponsor. **STATUS:** Read twice and referred to the Committee on Finance 1/21/97.	♦ Provides a tax credit for employers who build, rehabilitate, or expand child care facilities for employees, subsidize the operating cost of these facilities, contract with a child care facility to provide services for the taxpayer's employees, or contract with a resource and referral agency to help employees in their communities.
H.R. 1809 (No Official Title) **SPONSOR:** Rep. Jon D. Fox (R-PA). Phone: 202/225-6111. **NO CO-SPONSOR(S)** **STATUS:** Introduced and referred to the Committee on Ways and Means and Committee on Appropriations 6/5/97.	♦ Gives employers a tax credit for providing child care benefits if they use the credit to subsidize child care for employees.
H.R. 988 Child Care Availability Incentive Act **SPONSOR:** Rep. Deborah Pryce (R-OH). Phone: 202/225-2015. **CO-SPONSOR(S):** Rep. Tim Roemer (D-IN). Phone: 202/225-3915. Including 43 other co-sponsors. **STATUS:** Introduced and referred to the House Committee on Ways and Means 3/6/97.	♦ Amends the Internal Revenue Code to allow a tax credit for employers who provide qualified child care centers for their employees.
H.R. 1706 Child Care Infrastructure Act of 1997 **SPONSOR:** Rep. Carolyn Maloney (D-NY). Phone: 202/225-7944. **CO-SPONSOR(S):** Rep. Ileana Ros-Lehtinen (R-FL). Phone: 202/225-3931. Including eight other co-sponsors. **STATUS:** Introduced and referred to the Committee on Ways and Means 5/22/97.	♦ Amends the Internal Revenue Code of 1986 to provide credit against tax for employees who provide child care assistance for dependents of their employees.

S. 490 Working Families Child Care Tax Relief Act **SPONSOR:** Sen. Daniel Akaka (D-HI). Phone: 202/224-6361. **NO CO-SPONSORS** **STATUS:** Read twice and referred to the Committee on Finance 3/20/97.	♦ Amends the Internal Revenue Code to provide annual inflation adjustment for the child and dependent care credit.
H.R. 315 Child Care Tax Credit Reform Act of 1997 **SPONSOR**: Rep. Gerald Solomon (R-NY). Phone: 202/225-5614. **NO CO-SPONSORS** **STATUS:** Introduced and referred to the Committee on Ways and Means 1/7/97.	♦ Amends the Internal Revenue Code to increase the amount of employment-related expenses subject to the dependent care income tax credit. ♦ Denies the credit to taxpayers having an adjusted gross income of $50,000 or more.

For more information or to receive a child care and early education press kit, please contact Ellen Lubell at 212/239-0138 or Kathy Bonk at 202/326-6767.

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CCMC
Communications Consortium
MEDIA CENTER

MEMORANDUM

TO: Jennifer Klein
Senior Policy Analyst

FROM: Karen A. Cowles

DATE: September 24, 1997

RE: Senate Democratic Strike Force for Kids

Per our conversation, attached are materials from the first meeting of the Senate Democratic Strike Force for Kids "Right Start 2000" initiative. The issue of child care, particularly in regard to quality and cost, was raised several times by Senators. "Making child care safe and accessible" will be the focus of a future panel.

Thank you so much for attending the September 17 Media Strategies Group. We look forward to continuing working with you over the next few weeks in preparation for the White House Conference on Child Care. Please don't hesitate to contact me at 202/326-8709 if you need anything further.

1200 New York Avenue, NW, Suite 300 Washington, D.C. 20005-1754
Phone 202-326-8700 Fax: 202/682-2154

RIGHT START 2000:
Senate Democratic Strike Force for Kids

MEDIA ADVISORY
August 27, 1997

Contact: Jennifer Greeson
(202) 224-0346

Senate Strike Force for Kids to Address Importance of Early Education; Sept. 5 Forum Will Highlight Successful Learning Programs

Washington -- This fall, as more children are going back to school than ever before, Right Start 2000: A Democratic Strike Force for Kids, will hold its first panel discussion and interactive forum on the issue of early childhood education. The forum will provide an opportunity for individuals from various backgrounds to offer insight about the importance of providing to children at an early age the tools necessary to succeed in school. The event, open to the press and public, will be held **Friday, September 5, 1997 at 10 a.m. in Senate Russell 325**.

Participants in the forum include the director of an early childhood education program, a police chief, a business executive and a parent involved in an early learning community partnership.

This forum is the first public meeting of the Right Start 2000 Strike Force for Kids that was formed in June of 1997 by Senate Democratic Leader Tom Daschle. The group, chaired by Senator Chris Dodd, (D-CT), will work to develop constructive ways for Senate Democrats to best address the educational, health and safety need of America's children in their first eight years of life. Recent insights into brain development reveal that much of children's growth and future well-being is determined by early learning and care.

Children born this year will be the first students of the next millennium and with the formation of this task force, Senate Democrats are rededicating themselves to ensuring that all children have the right start for a bright tomorrow. Senators participating in the group include Chris Dodd (D-CT), chair, John Kerry (D-MA), acting as Leadership Liaison, Barbara Boxer (D-CA), Dick Durbin (D-IL), Tom Harkin (D-IA), Edward Kennedy (D-MA), Mary Landrieu (D-LA), Daniel Patrick Moynihan (D-NY), Patty Murray (D-WA), Jack Reed (D-RI), Dianne Feinstein (D-CA), Bob Graham (D-FL) and Harry Reid (D-NV).

-30-

Chris Dodd, Chair

John Kerry, Leadership Liaison

Barbara Boxer
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United States Senate
Democratic Steering and Coordination Committee

Washington, DC 20510–7050
(202) 224-8048

To: Interested Parties
From: Senate Democratic Steering and Coordination Committee
Re: Sept. 5 Forum on Early Childhood Education
Date: September 8, 1997

On Friday, September 5, the Senate Democratic Task Force on Early Childhood Development held its first public meeting focusing on the issue of school readiness and early childhood education. Senate Democratic Leader Tom Daschle joined the members of Right Start 2000: Democratic Strike Force for Kids, Senators Chris Dodd, John Kerry, Tom Harkin, Patty Murray, Jack Reed, Harry Reid, Mary Landrieu, and Bob Graham in this public forum that highlighted successful early childhood development programs. Attached are Senator Daschle's opening remarks from the forum.

The Democratic Strike Force has launched its own website that can be accessed at **http://www.senate.gov/~dpc/rightstart/**. In addition, there is an e-mail address that can be used to send information on early childhood development to the task force. The address is **rightstart@dpc.senate.gov**. Task force members would especially welcome information on state and community early childhood education initiatives.

We thought this information would be useful and encourage you to visit the website as it will be regularly updated with upcoming task force activities and materials. If you have any questions, please feel free to contact Paul Thornell at (202) 224-0224.

United States Senate

WASHINGTON, DC 20510

Senate Democratic Forum on Early Childhood Learning

On Friday, September 5, 1997 at 10:00 a.m. in SR-325 Russell Senate Office Building, the Senate Democratic Task Force on Early Childhood Development will meet for the first time to hold a panel discussion on the issue of school readiness. This forum, open to the press and public, will be an opportunity for individuals from various backgrounds to provide insights to the Senators on the Task Force about the importance of ensuring that from an early age children have the tools necessary to succeed in school. This Fall there will be more children going back to school than ever before. By some estimates, one in five of them will be ill-prepared for basic learning. This forum marks the start of the school year with a focus on promoting school readiness among young children. The event will highlight successful early learning programs and focus on the need for parents, educators, business leaders, law enforcement, policy makers and all segments of society to share an interest in making sure that children have the right start they deserve.

The September 5 Forum is the first public meeting of the task force known as "Right Start 2000: A Strike Force for Kids," that was formed in June, 1997, by Senate Democratic Leader Tom Daschle. This group will be working to develop constructive ways for Senate Democrats to best address the educational, health, and safety needs of America's children in their first eight years of life. The recent insights into early brain development reveal that much of children's growth and future well-being is determined, in large part, by early learning and care. Indeed, much is at stake. Children born this year will be the first students of the next millennium. With the formation of this task force, Senate Democrats are rededicating themselves to ensuring that all children have the right start for a bright tomorrow.

Senator Daschle appointed Senator Chris Dodd (CT) as the Chair of the Strike Force and Senator John Kerry (MA) as the Leadership's representative. The participants in the forum include the director of an early childhood education program, a police chief, a business executive, and a parent involved in an early learning community partnership.

This forum will be the first of a series of events that the Strike Force members will be hosting to bring attention to the range of issues related to early childhood development. Over the next few months, it will examine four main areas in early childhood development: improving the quality of early learning; making child care safe and more accessible; enabling parents and communities to best address the safety needs of their children; and providing families with health and nutritional services for infants and young children.

Right Start 2000: Senate Democratic Strike Force for Kids

Senate Democratic Task Force
In June, 1997, Senate Democratic Leader Tom Daschle formed a task force on early childhood development that will be working to develop constructive ways for Senate Democrats to best address the educational, health, and safety needs of America's children in their first six years of development. The recent insights into early brain development reveal that much of children's growth and future well-being is determined, in large part, by early learning and care. Indeed, much is at stake. Children born this year will be the first students of the next millennium. With the formation of this task force, Senate Democrats are rededicating themselves to ensuring that all children have the right start for a bright tomorrow.

All Young Children Should be Safe, Healthy, and Ready to Learn
In order to provide families with the tools to build a bright future for their children, it will take the collective work of parents, community leaders, schools, religious institutions, state and local officials, and national policy makers. Senate Democrats applaud the work that has been done by states and communities to meet the early educational, safety and health needs of young children and seek to build on those efforts by providing adequate federal support. To this end, this task force will examine four main areas in early childhood development: improving the quality of early learning; making child care safe and more accessible; enabling parents and communities to best address the safety needs of their children; and providing families with health and nutritional services for infants and young children.

Outreach to Early Childhood Organizations and Experts
This task force will reach out to all interested parties for counsel and guidance as it explores key issues in early childhood development. Through public forums, visits to early childhood programs, and briefings from leading children's experts, the task force will seek to enhance existing services for families and young children and develop new ways of leveraging private and community resources that serve similar needs. As there are a variety of different viewpoints and committed interests in this field, the task force is committed to building relationships with a diverse coalition of business leaders, law enforcement officials, governors and other elected officials, religiously affiliated groups, and civic and community-based organizations.

Members of the Task Force
Senator Daschle appointed Senator Chris Dodd (CT) to be the Chair of the task force. Along with Senator John Kerry (MA), representing the Democratic Leadership on the task force, the other members of the task force are Senators Edward Kennedy (MA), Pat Moynihan (NY), Tom Harkin (IA), Harry Reid (NV), Bob Graham (FL), Barbara Boxer (CA), Dianne Feinstein (CA), Patty Murray (WA), Jack Reed (RI), Mary Landrieu (LA), and Richard Durbin (IL).

CURRENT DEMOCRATIC LEGISLATION ON EARLY CHILDHOOD ISSUES

S. 12 - **Education for the 21st Century Act:** a bill to improve education for the 21st Century (HOPE Scholarship, America Reads); Sponsor - Daschle

S. 13 - **Children's Health Coverage Act:** a bill to provide access to health insurance coverage for uninsured children and pregnant women; Sponsor - Daschle

S. 19 - **Working Families Child Care Act of 1997:** a bill to provide funds for child care for low-income working families; Sponsor - Dodd

S. 82 - **Child Care Infrastructure Act of 1997:** a bill to amend the Internal Revenue Code of 1986 to provide credit against tax for employers who provide child care assistance for dependents of their employees; Sponsor - Kohl

S. 93 - A bill to amend part A of title IV of the Social Security Act to increase funding for child care under the temporary assistance for needy families program; Sponsor - Kerry

S. 97 - A bill to amend the Internal Revenue Code of 1986 and the Social Security Act to require the IRS to collect child support through wage withholding to eliminate State enforcement of child support obligations other than medical support obligations; Sponsor - Kohl

S.130- A bill to amend the Internal Revenue Code of 1986 to provide credit for the purchase of child restraint systems used in motor vehicles; Sponsor - Inouye

S.147- **Medicaid Substance Abuse Treatment Act of 1997:** a bill to amend title XIX of the Social Security Act to provide for coverage of alcoholism and drug dependency residential treatment services for pregnant women and certain family members under the Medicaid program; Sponsor - Daschle

S.148- **Comprehensive Fetal Alcohol Syndrome Prevention Act:** a bill to amend the Public Health Service Act to provide a comprehensive program for the prevention of Fetal Alcohol Syndrome; Sponsor - Daschle

S.183- **Family and Medical Leave Fairness Act:** a bill to expand the Family and Medical Leave Act to 13 million additional working Americans; Sponsor - Dodd

S.226- **Deadbeat Parents Punishment Act of 1997:** a bill to establish felony violations for the failures to pay legal child support obligations; Sponsor - Kohl

S.280- **Time for Schools Act of 1997:** a bill to amend the Family and Medical Leave Act of 1993 to allow employees to take school involvement leave to participate in the school activities of their children or to participate in literacy training; Sponsor - Murray

S.363- **Children's Protection from Violent Programming Act:** a bill to amend the Communications Act of 1934 to require that violent video programming is limited to broadcast after the hours when children are reasonable likely to comprise a substantial portion of audience; Sponsor - Hollings

S.398- A bill to amend title 49, United States Code, to require the use of child restraint systems approved by the Secretary of Transportation on commercial aircraft; Sponsor - Murray

S.456- **Partnership to Rebuild America's Schools Act of 1997:** a bill to establish a partnership to rebuild and modernize America's school facilities; Sponsor - Moseley-Braun

S.490- **Working Families Child Care Tax Relief Act:** a bill to amend the Internal Revenue Code of 1986 to adjust for inflation the dollar limitations on the dependent care credit; Sponsor - Akaka

S.599- **Children's Environmental Protection Act:** a bill to protect children and other vulnerable subpopulations from exposure to certain environmental pollutants; Sponsor - Boxer

S.664- A bill to establish tutoring assistance programs to help children learn to read well; Sponsor - Kennedy

S.713- **Better Pharmaceuticals for Children Act:** a bill to encourage the testing and labeling of drugs for infants and children; Sponsor - Dodd

S.756- **Early Childhood Development Act of 1997:** bill to provide for the health, education and welfare of children 6 years of age; Sponsor - Kerry

S.794- **Services for Children of Substance Abusers Reauthorization Act:** a bill to revise and extend the grant program for children of substance abusers; Sponsor - Dodd

S.900- **Child Exploitation Sentencing Enhancement Act of 1997:** a bill to provide for sentencing enhancements and amendments to the Federal Sentencing Guidelines for offenses relating to the abuse and exploitation of children; Sponsor - Feingold

S.920- **Adoption Report Card Act of 1997:** a bill to require the Secretary of Health and Human Services to issue an annual report card on the performance of the States in protecting children placed for adoption in foster care or with a guardian; Sponsor - Wyden

S.926- A bill to amend the Internal Revenue Code of 1986 to expand the child and dependent care credit; Sponsor - Harkin

America's Children: A Status Report

Basics

- 69.4 million children in the U.S. representing 26 percent of total population.
- In 1995, one in five children lived in poverty.
- The U.S. child poverty rate is the highest among 18 industrialized countries at 22 percent. The next closest country is Australia with a poverty level of 14 percent.
- Poverty is most concentrated among the youngest children (under age 6) at 24 percent, as compared to 18 percent for older children.
- Two parent families are on the decline: in 1980, the percentage of two parent households was 77 percent; in 1996, only 68 percent of American households had two parents.

Child Health

- Today, 14 percent of children live without any health insurance coverage.
- The proportion of children covered by private health insurance has declined in recent years, from 74 percent in 1987 to 66 percent in 1995.
- In 1994, 4 percent of all births were to teenage mothers. There are substantial racial and ethnic disparities in teen birth rates: the birth rate for white teenagers was 23 per 1,000, 74 for Hispanic-Americans, and 76 for African-Americans.
- 26 percent of children are not receiving recommended immunizations. Children living in poverty are less likely to have received immunizations than children at higher income levels (66 percent compared to 77 percent).
- In 1995, 7.3 percent of infants born were low birthweight. Since 1980, this percentage has increased from 6.8 percent. In 1994, 13.2 percent of African-American infants were of low birthweight.

Early Childhood Education

- In 1995, 47 percent of 3- to 4-year olds failed to attend early childhood programs.
- In recent studies, 41 percent of American 4th grade students scored below the basic reading and math levels.
- In 1996, 57 percent of children ages 3 to 5 were read to each day. Less than 46 percent of children in poverty were read to every day and only 39 percent of Hispanic children were read to every day.

Sources: America's Children: Key National Indicators of Well-Being; Forum on Child and Family Statistics
The State of America's Children, Yearbook 1996
Kids Count Data Book, 1996

SUMMARY OF RECENT RESEARCH IN BRAIN DEVELOPMENT

The New Science

Using positron-emission tomography (PET) to measure activity in the brain, scientists have discovered that a child's experiences after birth, rather than only innate characteristics, determine the resulting structure of the child's brain. Only 15 years ago, scientists still assumed that at the time of birth, a baby's brain circuitry was already firmly in place. We now know that while an individual's genes may be encoded for brilliance, early experiences will determine where this aptitude materializes – in math or in criminal activity.

The Extraordinary Process of Development

At birth, an infant's brain begins to form connections between neurons, or synpases. These synapses will form the parameters of a child's emotional and intellectual capability. Just in the first few months of life, the number of synapses will increase 20-fold, to more than 1,000 trillion. This exponential growth will continue until 3 or 4 years of age; by the age of 10, synapse development plateaus. At that point the brain will begin to systematically eliminate connections which have rarely been used. The result is an individual with a mind that is unique, shaped by the experiences of the past.

Creating the Roadmap

Positive stimulation of a child, by reading, playing and touching, if reinforced repeatedly, causes the development of synapses and wires into place the capacity for learning and caring. The downside of the brain's plasticity is that it can be as just as profoundly shaped by negative, as by positive, experiences. If the experiences of a child are fear and neglect, those will be the building blocks of that child's emotional and cognitive development.

Windows of Opportunity

Children's brains are astonishingly flexible during these early years. In fact, very young children can sustain severe brain injuries and still grow to be normally functioning adults; the remaining brain connections will retrain themselves to take over the work of the lost neurons. This flexibility has limits, however. Scientists have found evidence of defined windows of opportunity for the development of certain functions. Abilities not wired into place within a certain period may be unattainable – a "use it or lose it" phenomenon. For example, children born with cataracts that are not removed immediately can lose the ability to see, even if the cataracts are subsequently removed, because the brain's pathways for sight failed to develop during the critical period.

Chris Dodd
U.S. SENATOR FROM CONNECTICUT
NEWS

**OPENING STATEMENT
OF SENATOR CHRISTOPHER J. DODD (D - CT)
RIGHT START 2000 FORUM ON SCHOOL READINESS**

SEPTEMBER 5, 1997

I want to thank my colleagues, our panelists, and our invited guests for attending this morning's important forum on school readiness.

This forum represents the first public meeting of the senate democratic task force on early childhood development. We call it "Right Start 2000: A Democratic Strike Force for Kids."

We formed it amid profound, new scientific revelations about the critical first days, months, and years of life. They confirm what many people have known intuitively through the ages: that a child who is held, touched, talked to, read to, and encouraged by a devoted, loving parent or care-giver has a distinctly better chance of growing up to live a healthy, secure and rewarding life than one who does not.

Our mission is a straightforward one: to ensure that, by the year 2000, all of America's children will begin their life's journey with the greatest possible chance of success.

This is admittedly a bold agenda. But we can have no other. Every American child deserves the best that our nation has to offer.

To that end, we will focus our attention and efforts on four areas critical to a young child's healthy emotional, intellectual, and physical development: early learning, quality child care, safety, and health and nutrition.

Today we will focus on early learning, and specifically on how to ensure that each child begins his or her academic life ready to learn.

Unfortunately, far too many of our children are starting the scholastic race already behind their classmates. Kindergarten teachers from across the country tell us that as many as <u>one in three</u> of their children begins the first day of school unprepared to meet the challenges of kindergarten. They have not been immunized. They have undiagnosed impairments to their seeing or hearing. They have not learned basic facts -- like colors or body parts — because they have not been read to sufficiently before starting school.

Why is this happening? It's no mystery. The overwhelming majority of families are struggling mightily to do right by their children. They are doing everything they can do — but not everything they want to do.

Here on Capital Hill, we think we know what it's like to work hard. We attend hearings and meetings, deliver speeches, cast votes. But we have no idea — no idea — what millions of families contend with each and every day.

Families are stretched to the limit. Couples routinely face the most gut-wrenching choices. They work two or three jobs to make ends meet, and give up evenings and weekends at home. They place their children in child care fearing that their kids are not spending their days in a clean and stimulating environment.

Parents are doing all they can for their children. But we in government are not. We set quality standards for the food children eat, for the clothes they wear — but not for the child care they receive. We spend billions of dollars to help high school graduates step through the doors of higher education — but only a fraction of that amount to help toddlers learn their A B C's.

I'm pleased that today we'll have an opportunity to visit with people who can teach us a lot about what tools we can help provide to parents so their kids can succeed in life:

Charles Diggs, a parent from St. Louis;

Lorraine Flood, an educator from Norfolk, Virginia;

George Sweat, the police chief of Winston-Salem, North Carolina; and

Peter Roulhac, vice president of the First Union Bank of Miami.

Before we speak with these distinguished persons, we will have an opportunity -- thanks to satellite technology -- to visit Rheta Devries and Rebecca Edmunston in Cedar Rapids, Iowa. They are at the Regents' Center for Early Development Education at the University of Northern Iowa.

But first, let me turn to my other colleagues for any opening remarks they might have.

Right Start 2000: Democratic Strike Force for Kids
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TOM DASCHLE
SOUTH DAKOTA

United States Senate
Office of the Democratic Leader
Washington, DC 20510–7020

STATEMENT BY SENATE DEMOCRATIC LEADER TOM DASCHLE
AT THE FIRST MEETING OF
THE SENATE DEMOCRATIC STRIKE FORCE FOR KIDS
FRIDAY, SEPT. 5, 1997
"FIRST THINGS FIRST: THE IMPERATIVE OF SCHOOL READINESS"

I'm happy to be at this first meeting of the Senate Democratic Strike Force for Kids.

We created this strike force in June to take a thoughtful, comprehensive look at the needs of America's youngest children, and to make recommendations about what Congress can do to make sure that all children come to school ready to learn.

I want to thank Senator Dodd for agreeing to head up this very important effort.

I also want to thank the other members of the committee: Senators John Kerry, Ted Kennedy, Pat Moynihan, Tom Harkin, Harry Reid, Bob Graham, Dianne Feinstein, Barbara Boxer, Patty Murray, Dick Durbin, Jack Reed, Mary Landrieu and Tim Johnson, for agreeing to serve on the committee.

Lastly, I want to thank the experts who have come here today from around the country to share with us some success stories about what their communities are doing to give children the right start in school, and in life.

Nothing is more important to America's parents, and nothing is more critical to our future, than the quality of education our children receive. That is why Democrats in Congress have made education our number one priority.

Five years ago, then-President Bush set six national education goals. Those goals were the result of an extraordinary bipartisan meeting of the nation's governors. The first goals was "all children <u>will</u> come to school ready to learn."

There's a reason that goal comes first. That is because the success of all our other education goals depends on how well we achieve that first goal. What happens before school -- even before birth -- profoundly influences a child's ability to learn.

Fascinating new research is proving what most parents and teachers have always known instinctively: that children's ability to learn is profoundly affected by a myriad of factors including the quality of a mother's pre-natal care and children's health care, as well as the quality of day care and pre-school. Perhaps most important, it depends on parenting -- because parents are their children's first, and most influential teachers.

It's difficult, if not impossible, to fully compensate for deficiencies in any of these areas in later life. We don't get a second chance. We need to do it right the first time.

Parents today are no less caring about their children. They're no less concerned about their children's education and their children's future than their parents or grandparents were. But they do have <u>less</u> time to spend with their children. In most two-parent homes, both parents are working full-time just to pay the bills. The strain is even harder on one-parent families.

That's a profound change from the America many of us grew up in. And just as families have changed, so must our support network for young children.

Parents can't do it alone. Schools and teachers can't do it alone. Making sure that all children start school ready to learn takes a community commitment. It takes support from businesses and police and community and religious organizations. Again, we're fortunate to have experts from the field who can tell us more about how various parts of the community can get involved in giving children the right start.

Someone who knows young children very well is a man named Bob Keesham. Most of us know him better as Captain Kangaroo. He said something very wise. "Children don't drop out of school in the 12th grade," he said. "They drop out in the 4th grade, and wait eight years to make it official."

This month, 58 million children are entering America's public schools -- a record number. How many of the children who are entering kindergarten this year, and how many of their younger brothers and sisters, will graduate from high school depends on how well we meet our first education goal

It's been five since the governors and President Bush set the national education goals. They said at the time that we should achieve those goals in 10 years. Half of that time is now gone. The clock is ticking. The children are waiting.

I look forward to the recommendations this panel will make, and to working with the entire Senate, in the same bipartisan spirit that created the national education goals, to making our first goal a reality.

###

America's Kindergartners: Ready to Learn?

Key Facts

- Kindergarten teachers estimate that one in three children enters the classroom unprepared to meet the challenges of kindergarten.

- For every one dollar spent on quality early childhood development programs, seven dollars are saved in costs down the road, including increased special education, teen pregnancy, criminal justice and welfare related expenses.

Preparing for School

- Just over two-thirds of preschoolers were read to or told stories regularly in 1996.

- In 1995, 37 percent of 3-year-olds and 61 percent of 4-year-olds were enrolled in a center-based program. Enrollment was highly dependent on family income; with a 28 percentage point disparity in the pre-school participation of children from high income families ($50,000 and above) and those from low income families ($10,000 and below).

- Only 1 in 7 child care centers and 1 in 10 family child care homes are of good enough quality to enhance children's development.

- Head Start serves 40 percent of eligible children and just 30 percent of Head Start programs are full-day, full-year.

- 38 states had waiting lists of low-income families needing child care assistance in 1994, often involving tens of thousands of children.

Kids' Health

- 1 out of 4 two year-olds were not fully immunized against preventable childhood diseases.

- One-third of all children born in the U.S. in 1994, were born with one or more health risks. (Limited or no prenatal care, low maternal weight gain, mother smoked or drank alcohol during pregnancy.)

General Facts

- 15 percent of children lived with a parent who was a high school dropout in 1994.

- 21 percent of children live in poverty.

Sources: Children's Defense Fund, Carnegie Commission, National Goals Panel, Annie E. Casey Foundation, Packard Foundation, National Center for Education Statistics.

MEETING WITH HILL STAFF
September 17, 1997

TALKING POINTS

Background

- As many of you may know, the President and First Lady hosted a conference in April that focused on children in the earliest years of life. Called *The White House Conference on Early Childhood Development and Learning: What New Research on the Brain Tells Us About Our Youngest Children*, the conference used compelling new evidence from neuroscience to call for increased attention to the needs of our youngest children.

- Child care emerged as a key issue demanding national attention. The President, at that Conference, called for a further dialogue on child care issues, and announced that he and Mrs. Clinton would host a follow-up conference at the White House devoted to child care.

Conference

- The White House Conference on Child Care will take place on October 23.

- We have four goals for the conference:

1. National Attention

1. To establish child care as a national priority and legitimize it as an issue in which all Americans have a stake, using both child development and workforce/economic arguments;

2. why does it matter?

2. To educate the nation -- particularly parents -- about the need for providing children of all ages with supportive, high quality care, and defining the components of quality child care (including school-age care programs);

3. Role of all Sectors

3. Illustrate tangible ways that all sectors of society (families, government, employers, military, religious community, philanthropy) contribute to the system, by highlighting model efforts nation-wide; and

4. Launch policy discussion

4. To launch a policy discussion that addresses key challenges in child care.

- We are in the intermediate stages of planning the Conference -- we've thought about the basic structure, but have not yet made definitive decisions about speakers or issued invitations. We do plan to do both in the next few weeks.

- The general framework for the conference will be two panel discussions -- one focused on what we mean by quality child care and why it's important and the other focused on effective models nation-wide. [Turn to Jen/Nicole for further discussion]

2 panels
1. why it matters / what do we look for?
2. mobilizing pivotal sectors

- Like the April convening, we hope to have satellite conferences in as many states as possible to spur national discussion.

- **Most important, we see this as the beginning, not the end, of a discussion about where we need to move on child care policy -- both at the federal and state levels.**

Process

- To prepare for the Conference and beyond, we are running an internal policy process focussing on three issue areas: 1) protecting our children from harm in child care and promoting quality, 2) enhancing affordability, and 3) addressing the critical need for school-age care programs. The purpose of these discussions is to examine current policy and devise recommendations on where to invest limited additional resources.

- We don't anticipate announcing comprehensive policy at the Conference itself, as it will take place ahead of our own budget process. However, we do expect at some point -- perhaps at the State of the Union -- to propose policy that would require legislative action and/or to endorse pending bills.

- As we move ahead, we want to continue to consult with you, both on bills being developed on the hill and on our policy ideas. We would also appreciate hearing your ideas on the White House Conference.

Cc: Melanne
Jen
Nicole

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UNITED STATES
HOUSE OF REPRESENTATIVES

ROSA L. DELAURO
3d District, Connecticut

Chief Deputy Whip

Committee on Appropriations

Subcommittees:
Labor, Health and Human Services, and Education
Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

September 30, 1997

First Lady Hillary Rodham Clinton
The White House
Washington, D.C. 20500

Dear Mrs. Clinton,

I am excited about the upcoming White House Conference on Child Care, and I am grateful for your leadership on this issue. I know you share my commitment to making sure that all of America's children get the care they need in the first years of life to prepare them to grow up to be healthy, productive, responsible members of our society.

Last week I, along with Congressman Steny Hoyer and Congressman Jim McGovern, met with Secretary Shalala to discuss a bill we are sponsoring which addresses the care for children ages 0 to 3. The Secretary suggested that we meet with you prior to the White House Conference to discuss our bill.

We share your concern for the health of our nation's children and feel that our bill can be an important part of the solution. We are eager to discuss the merits of the bill with you and receive your input.

I know your schedule is busy and I appreciate your consideration. Your staff may contact Catriona MacDonald or Sean O'Reilly in my office @ 225-3661 to make arrangements.

Sincerely,

Rosa L. DeLauro

Rosa L. DeLauro
Member of Congress

Office of

U.S. Senator John F. Kerry

Washington, D.C. 20510

DATE:

FAX TO: Jennifer Klein

FAX NUMBER: 456-0878

FROM: David Kass

COMMENTS: Here's a one page summary of the settlement and the bill. I look forward to talking with you as this moves forward. Thanks!

NUMBER OF PAGES TO FOLLOW: ______

If this fax is received improperly, please call (202) 224-2742. Return fax number is (202) 224-8525.

JOHN KERRY
MASSACHUSETTS

United States Senate

WASHINGTON, DC 20510

THE "EARLY CHILDHOOD DEVELOPMENT ACT"OF 1997

The "Early Childhood Development Act" of 1997 would help empower local communities to provide essential intervention in the lives of our youngest at-risk children and their families so that children begin school ready to learn. Early intervention can reduce later destructive behavior such as school dropout, drug use, and crime. The legislation would minimize government bureaucracy and maximize local initiatives by providing additional funding to communities to expand the thousands of successful efforts such as those sponsored by the United Way, Boys and Girls Clubs, and other less well-known grassroots organizations as well as state initiatives as "Success By Six" in Massachusetts and Vermont, "Smart Start" in North Carolina, the "Parents as Teachers" program in Missouri, "Healthy Families" in Indiana, and the "Early Childhood Initiative" in Pittsburgh, Pennsylvania. Our nation's highest priority should be to ensure that children begin school ready to learn. This legislation would take a significant step towards that goal.

- **Enhance private, local, and state early successful intervention programs for young children by providing resources to expand and/or initiate successful efforts for at-risk children ages zero to six.** Funds would be provided to States to make grants to local collaboratives. States would have great flexibility to decide whether to fund quality child care, keeping schools open later for early childhood development activities, or parent education and home visiting classes. Communities would be required to document their unmet needs and how they would use the funds to improve outcomes for young children. States would contribute 10-15 percent of the funds and the private sector would also make a contribution. The federal funds would be used to supplement, not replace, state and local activities for young children.

- **Empower individuals to access quality early child care development for infants and toddlers in working families.** Additional resources would be provided for the successful Child Care and Development Block Grant for at-risk infants, toddlers, and pre-schoolers.

- **Establish a scholarship fund for child care workers.** Provide a loan forgiveness scholarship fund for people who earn a degree in early childhood development and then work with infants/toddlers in child care settings for two years. Child care providers are underpaid and frequently receive inadequate training, which causes higher turnover and lower quality care.

- **Fully fund the Women, Infants, and Children (WIC) program.** Fully fund the WIC program, which provides nutritional assistance to low-income pregnant, breast-feeding and postpartum women, infants and children up to their fifth birthday.

- **Increase funding for the Early Head Start program.** This program, which provides comprehensive child development and family support services to infants and toddlers, would be expanded.

Co-Sponsors: U.S. Senators John D. Rockefeller (D-WV) Patty Murray, (D-WA), Edward M. Kennedy (D-MA), Ernest Hollings, (D-SC), Paul Wellstone (D-MN), Carol Moseley-Braun (D-IL), and Tom Harkin (D-IA).

Endorsements: Association of Jewish Family & Children's Agencies, Boys and Girls Clubs of America, Catholic Charities USA, Children's Defense Fund, Child Welfare League of America, Coalition On Human Needs, Jewish Council for Public Affairs, National Black Child Development Institute, Inc., National Center for the Early Childhood Work Force, National Council of Churches of Christ in the USA, Religious Action Center of Reform Judaism, and Rob Reiner of the *I Am Your Child* Campaign.

or person to whom the new information may be related. The appointment shall be in the same manner, and subject to the same provisions, as an appointment under section 1504(f)(1) of this title.

"(3) For purposes of this subsection, new information is information that—

"(A) is found or received after the date of the enactment of the Missing Persons Improvement Act of 1997 by a United States intelligence agency, by a Department of Defense agency, or by a person specified in section 1504(g) of this title; or

"(B) is identified after the date of the enactment of the Missing Persons Improvement Act of 1997 in records of the United States as information that could be relevant to the case of one or more unaccounted for persons described in subsection (b).".

(2) Such section is further amended by adding at the end the following new subsection:

"(d) ESTABLISHMENT OF PERSONNEL FILES FOR KOREAN CONFLICT CASES.—The Secretary of Defense shall ensure that a personnel file is established for each unaccounted for person who is described in subsection (b)(1). Each such file shall be handled in accordance with, and subject to the provisions of, section 1506 of this title in the same manner as applies to the file of a missing person.".

(h) WITHHOLDING OF CLASSIFIED INFORMATION.—Section 1506(b) of such title is amended—

(1) by inserting "(1)" before "The Secretary";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(3) by adding at the end the following:

"(2) If classified information withheld under this subsection refers to one or more unnamed missing persons, the Secretary shall ensure that notice of that withheld information, and notice of the date of the most recent review of the classification of that withheld information, is made reasonably accessible to family members of missing persons.".

(i) WITHHOLDING OF PRIVILEGED INFORMATION.—Section 1506(d) of such title is amended—

(1) in paragraph (2)—

(A) by striking out "non-derogatory" both places it appears in the first sentence;

(B) by inserting "or about unnamed missing persons" in the first sentence after "the debriefing report";

(C) by striking out "the missing person" in the second sentence and inserting in lieu thereof "each missing person named in the debriefing report"; and

(D) by adding at the end the following new sentence: "Any information contained in the extract of the debriefing report that pertains to unnamed missing persons shall be made reasonably accessible to family members of missing persons."; and

(2) in paragraph (3)—

(A) by inserting ", or part of a debriefing report," after "a debriefing report"; and

(B) by adding at the end the following new sentence: "Whenever the Secretary withholds a debriefing report, or part of a debriefing report, containing information on unnamed missing persons from accessibility to families of missing persons under this section, the Secretary shall ensure that notice that the withheld debriefing report exists is made reasonably accessible to family members of missing persons.".

By Mr. KERRY (for himself, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. KENNEDY, Mr. HOLLINGS, Mr. WELLSTONE, Ms. MOSELEY-BRAUN, and Mr. HARKIN):

S. 756. A bill to provide for the health, education, and welfare of children under 6 years of age; to the Committee on Labor and Human Resources.

THE EARLY CHILDHOOD DEVELOPMENT ACT

Mr. KERRY. Mr. President, no issue is more important in America than focusing on the urgent needs of young children. This country must rededicate itself to investing in children, an investment which will have tremendous returns. Early intervention can have a powerful effect on reducing government welfare, health, criminal justice, and education expenditures in the long run. By taking steps now we can significantly reduce later destructive behavior such as school dropout, drug use, and criminal acts. A study of the High/Scope Foundation's Perry Preschool found that at-risk toddlers who received preschooling and a weekly home visit reduced the risk that these children would grow up to become chronic lawbreakers by a startling 80 percent. The Syracuse University family development study showed that providing quality early childhood programs to families until children reached age 5 reduces the children's risk of delinquency 10 years later by 90 percent. It's no wonder that a recent survey of police chiefs found that 9 out of 10 said that America could sharply reduce crime if government invested more in these early intervention programs.

These programs are successful because children's experiences during their early years of life lay the foundation for their future development. Our failure to provide young children what they need during this period has long-term consequences and costs for America. Recent scientific evidence conclusively demonstrates that enhancing children's physical, social, emotional, and intellectual development will result in tremendous benefits for children, families, and our Nation. The electrical activity of brain cells actually changes the physical structure of the brain itself. Without a stimulating environment, the baby's brain suffers. At birth, a baby's brain contains 100 billion neurons, roughly as many nerve cells as there are stars in the Milky Way. But the wiring pattern between these neurons develops over time. Children who play very little or are rarely touched develop brains 20 to 30 percent smaller than normal for their age.

Mr. President, reversing these problems later in life is far more difficult and costly. I want to discuss several examples.

First, poverty seriously impairs young children's language development, math skills, IQ scores, and their later school completion. Poor young children also are at heightened risk of infant mortality, anemia, and stunted growth. Of the 12 million children under the age of 3 in the United States today, 3 million—25 percent—live in poverty.

Second, three out of five mothers with children younger than 3 work, but one study found that 40 percent of the facilities at child care centers serving infants provided care of such poor quality as to actually jeopardize children's health, safety, or development.

Third, in more than half of the States, one out of every four children between 19 months and 3 years of age is not fully immunized against common childhood diseases. Children who are not immunized are more likely to contact preventable diseases, which can cause long-term harm.

And fourth, children younger than 3 make up 27 percent of the 1 million children who are determined to be abused or neglected each year. Of the 1,200 children who died from abuse and neglect in 1995, 85 percent were younger than 5 and 45 percent were younger than 1.

Unfortunately, Mr. President, our Government expenditure patterns are inverse to the most important early development period for human beings. Although we know that early investment can dramatically reduce later remedial and social costs, currently our Nation spends more than $35 billion over 5 years on Federal programs for at-risk or delinquent youth and child welfare programs.

Today we seek to change our priorities and put children first. I am introducing the Early Childhood Development Act of 1997 to help empower local communities to provide essential interventions in the lives of our youngest at-risk children and their families. I am delighted that Senators ROCKEFELLER, MURRAY, KENNEDY, HOLLINGS, WELLSTONE, MOSELEY-BRAUN, and HARKIN are joining me as cosponsors of this bill.

This legislation seeks to provide support to families by minimizing Government bureaucracy and maximizing local initiatives. We would provide additional funding to communities to expand the thousands of successful efforts for at-risk children ages zero to six such as those sponsored by the United Way, Boys and Girls Clubs, and other less well-known grassroots organizations, as well as State initiatives such as Success By Six in Massachusetts and Vermont, the Parents as Teachers Program in Missouri, Healthy Families in Indiana, and the Early Childhood Initiative in Pittsburgh, PA. All are short on resources. And nowhere do we adequately meet demand although we know that many States and local communities deliver efficient, cost-effective, and necessary services. Extending the reach of these successful programs to millions of children currently underserved will increase our national well-being and ultimately save billions of dollars.

The second part of this bill would provide funding to States to help them provide a subsidy to all working poor families to purchase quality child care for infants, toddlers, and preschool children. We would not create a new program but would simply increase resources for the successful Child Care and Development Block Grant (CCDBG). Child care for infants and toddlers is much more expensive than for older children since a higher level of care is necessary. Additional funding would also pay for improving the salaries and training level of child care workers, improving the facilities of child care centers and family child care homes, and providing enriched developmentally appropriate educational opportunities.

The bill would also establish a scholarship fund for child care workers who earn a degree in early childhood development and then work with infants and toddlers in child care settings for 2 years. Child care providers now are underpaid and frequently receive inadequate training, which causes higher turnover and lower quality care for children.

The bill would also expand the uses of time allowed under the Family and Medical Leave Act (FMLA) to promote parental involvement in schools and child care centers. Parents or guardians would be allowed to use up to 24 hours per year of FMLA time to participate in school and center activities such as parent-teacher conferences, interviewing for a new school or child care center, and getting an assessment for services in a family literacy program. This leave would be within the maximum 12 weeks of time currently allowed under the FMLA.

Finally, the bill would increase funding for the Early Head Start Program. The successful Head Start Program provides quality services to 4- and 5-year-olds. The Early Head Start Program, which currently is a modest program funded at $200 million annually, provides comprehensive child development and family support services to infants and toddlers. Expanding this program would help more young children receive the early assistance they need.

I was delighted to be joined yesterday by Governor Dean of Vermont and Governor Romer of Colorado in announcing this legislation. I also am happy to have a wide range of groups and individuals endorsing this bill including the Association of Jewish Family and Children's Agencies, Boys and Girls Clubs of America, Catholic Charities USA, Children's Defense Fund, Child Welfare League of America, Coalition on Human Needs, Jewish Council for Public Affairs, National Black Child Development Institute, Inc., National Center for the Early Childhood Work Force, National Council of Churches of Christ in the USA, Religious Action Center of Reform Judaism, and Rob Reiner of the I Am Your Child Campaign.

Children need certain supports during their early critical years if they are to thrive and grow to be contributing adults. I look forward to working with both sides of the aisle to pass this legislation and ensure that all children arrive at school ready to learn.

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

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

S. 756

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Early Childhood Development Act of 1997".

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.

TITLE I—ASSISTANCE FOR YOUNG CHILDREN

Sec. 101. Definitions.
Sec. 102. Allotments to States.
Sec. 103. Grants to local collaboratives.
Sec. 104. Supplement not supplant.
Sec. 105. Authorization of appropriations.

TITLE II—CHILD CARE FOR FAMILIES

Sec. 201. Amendment to Child Care and Development Block Grant Act of 1990.

TITLE III—LOAN REPAYMENT FOR CHILD CARE WORKERS

Sec. 301. Loan repayment for child care workers.

TITLE IV—FULL FUNDING FOR THE WOMEN, INFANTS, AND CHILDREN PROGRAM

Sec. 401. Full funding for the women, infants, and children program.

TITLE V—AMENDMENTS TO THE HEAD START ACT

Sec. 501. Authorization of appropriations.
Sec. 502. Allotment of funds.
Sec. 503. Effective date.

TITLE VI—SCHOOL INVOLVEMENT LEAVE

Sec. 601. Short title.
Sec. 602. General requirements for leave.
Sec. 603. School involvement leave for civil service employees.
Sec. 604. Effective date.

SEC. 2. FINDINGS.

Congress makes the following findings—

(1) The Nation's highest priority should be to ensure that children begin school ready to learn.

(2) New scientific research shows that the electrical activity of brain cells actually changes the physical structure of the brain itself and that without a stimulating environment, a baby's brain will suffer. At birth, a baby's brain contains 100,000,000,000 neurons, roughly as many nerve cells as there are stars in the Milky Way. But the wiring pattern between these neurons develops over time. Children who play very little or are rarely touched develop brains that are 20 to 30 percent smaller than normal for their age.

(3) This scientific evidence also conclusively demonstrates that enhancing children's physical, social, emotional, and intellectual development will result in tremendous benefits for children, families, and our Nation.

(4) Since more than 50 percent of the mothers of children under the age of 3 now work outside of the home, our society must change to provide new supports so young children receive the attention and care that they need.

(5) There are 12,000,000 children under the age of 3 in the United States today and 1 in 4 lives in poverty.

(6) Compared with most other industrialized countries, the United States has a higher infant mortality rate, a higher proportion of low-birth weight babies, and a smaller proportion of babies immunized against childhood diseases.

(7) National and local studies have found a strong link between increased violence and crime among youth when there is no early intervention.

(8) The United States will spend more than $35,000,000,000 over the next 5 years on Federal programs for at-risk or delinquent youth and child welfare programs, which address crisis situations which frequently could be avoided or made much less severe with good early interventions.

(9) Many local communities across the country have developed successful early childhood efforts and with additional resources could expand and enhance opportunities for young children.

TITLE I—ASSISTANCE FOR YOUNG CHILDREN

SEC. 101. DEFINITIONS.

In this title:

(1) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved.

(2) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(3) STATE BOARD.—The term "State board" means a State Early Learning Coordinating Board established under section 102(c).

(4) YOUNG CHILD.—The term "young child" means an individual who is under 6 years of age.

(5) YOUNG CHILD ASSISTANCE ACTIVITIES.—The term "young child assistance activities" means the activities described in section 103(b).

SEC. 102. ALLOTMENTS TO STATES.

(a) IN GENERAL.—The Secretary shall make allotments under subsection (b) to eligible States to pay for the Federal share of the cost of enabling the States to make grants to local collaboratives under section 103 for young child assistance activities.

(b) ALLOTMENT.—

(1) IN GENERAL.—From the funds appropriated under section 105 for each fiscal year, the Secretary shall allot to each eligible State an amount that bears the same relationship to such funds as the total number of young children in poverty in the State bears to the total number of young children in poverty in all eligible States.

(2) YOUNG CHILD IN POVERTY.—In this subsection, the term "young child in poverty" means an individual who—

(A) is a young child; and

(B) is a member of a family with an income below the poverty line.

(c) STATE BOARDS.—

(1) IN GENERAL.—In order for a State to be eligible to obtain an allotment under this title, the Governor of the State shall establish, or designate an entity to serve as, a State Early Learning Coordinating Board, which shall receive the allotment and make the grants described in section 103.

(2) ESTABLISHED BOARD.—A State board established under paragraph (1) shall consist of the Governor and members appointed by the Governor, including—

(A) representatives of all State agencies primarily providing services to young children in the State;

(B) representatives of business in the State;

(C) chief executive officers of political subdivisions in the State;

(D) parents of young children in the State;

(E) officers of community organizations serving low-income individuals, as defined by the Secretary, in the State;

the Secretary, in the State;

(F) representatives of State nonprofit organizations that represent the interests of young children in poverty, as defined in subsection (b), in the State; and

(G) representatives of organizations providing services to young children and the parents of young children, such as organizations providing child care, carrying out Head Start programs under the Head Start Act (42 U.S.C. 9831 et seq.), providing services through a family resource center, providing home visits, or providing health care services, in the State.

(3) DESIGNATED BOARD.—The Governor may designate an entity to serve as the State board under paragraph (1) if the entity includes the Governor and the members described in subparagraphs (A) through (G) of paragraph (2).

(d) APPLICATION.—To be eligible to receive an allotment under this title, a State board shall annually submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. At a minimum, the application shall contain—

(1) sufficient information about the entity established or designated under subsection (c) to serve as the State board to enable the Secretary to determine whether the entity complies with the requirements of such subsection;

(2) a comprehensive State plan for carrying out young child assistance activities;

(3) an assurance that the State board will provide such information as the Secretary shall by regulation require on the amount of State and local public funds expended in the State to provide services for young children; and

(4) an assurance that the State board shall annually compile and submit to the Secretary information from the reports referred to in section 103(d)(2)(F)(iii) that describes the results referred to in section 103(d)(2)(F)(i).

(e) FEDERAL SHARE.—

(1) IN GENERAL.—The Federal share of the cost described in subsection (a) shall be—

(A) 85 percent, in the case of a State for which the Federal medical assistance percentage (as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b))) is not less than 50 percent but is less than 60 percent;

(B) 87.5 percent, in the case of a State for which such percentage is not less than 60 percent but is less than 70 percent; and

(C) 90 percent, in the case of any State not described in subparagraph (A) or (B).

(2) STATE SHARE.—

(A) IN GENERAL.—The State shall contribute the remaining share (referred to in this paragraph as the "State share") of the cost described in subsection (a).

(B) FORM.—The State share of the cost shall be in cash.

(C) SOURCES.—The State may provide for the State share of the cost from State or local sources, or through donations from private entities.

(f) STATE ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—A State may use not more than 5 percent of the funds made available through an allotment made under this title to pay for a portion, not to exceed 50 percent, of State administrative costs related to carrying out this title.

(2) WAIVER.—A State may apply to the Secretary for a waiver of paragraph (1). The Secretary may grant the waiver if the Secretary finds that unusual circumstances prevent the State from complying with paragraph (1). A State that receives such a waiver may use not more than 7.5 percent of the funds made available through the allotment to pay for the State administrative costs.

(g) MONITORING.—The Secretary shall monitor the activities of States that receive allotments under this title to ensure compliance with the requirements of this title, including compliance with the State plans.

(h) ENFORCEMENT.—If the Secretary determines that a State that has received an allotment under this title is not complying with a requirement of this title, the Secretary may—

(1) provide technical assistance to the State to improve the ability of the State to comply with the requirement;

(2) reduce, by not less than 5 percent, an allotment made to the State under this section, for the second determination of noncompliance;

(3) reduce, by not less than 25 percent, an allotment made to the State under this section, for the third determination of noncompliance; or

(4) revoke the eligibility of the State to receive allotments under this section, for the fourth or subsequent determination of noncompliance.

SEC. 103. GRANTS TO LOCAL COLLABORATIVES.

(a) IN GENERAL.—A State board that receives an allotment under section 102 shall use the funds made available through the allotment, and the State contribution made under section 102(e)(2), to pay for the Federal and State shares of the cost of making grants, on a competitive basis, to local collaboratives to carry out young child assistance activities.

(b) USE OF FUNDS.—A local collaborative that receives a grant made under subsection (a) shall use the funds made available through the grant to provide, in a community, activities that consist of—

(1) education and supportive services, such as—

(A) home visits for parents of young children;

(B) services provided through community-based family resource centers for such parents;

(C) drug treatment services for such parents; and

(D) collaborative pre-school efforts that link parenting education for such parents to early childhood learning services for young children;

(2) activities designed to strengthen the quality of child care for young children and expand the supply of high quality child care services for young children;

(3) health care services for young children, including increasing the level of immunization for young children in the community, providing preventive health care screening and education, and expanding health care services in schools, child care facilities, clinics in public housing projects (as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))), and mobile dental and vision clinics;

(4) services for children with disabilities who are young children; and

(5) activities designed to assist schools in providing support to young children, and parents of young children, in the community, to be carried out during extended hours when appropriate.

(c) LOCAL COLLABORATIVES.—To be eligible to receive a grant under this section for a community, a local collaborative shall demonstrate that the collaborative—

(1) has the capacity to provide, through a coordinated effort, young child assistance activities to young children, and parents of young children, in the community; and

(2) includes—

(A) all public agencies primarily providing services to young children in the community;

(B) businesses in the community;

(C) representatives of the local government for the county or other political subdivision in which the community is located;

(D) parents of young children in the community;

(E) officers of community organizations serving low-income individuals, as defined by the Secretary, in the community;

(F) community-based organizations providing services to young children and the parents of young children, such as organizations providing child care, carrying out Head Start programs, or providing pre-kindergarten education, mental health, or family support services; and

(G) nonprofit organizations that serve the community and that are described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code.

(d) APPLICATION.—To be eligible to receive a grant under this section, a local collaborative shall submit an application to the State board at such time, in such manner, and containing such information as the State board may require. At a minimum, the application shall contain—

(1) sufficient information about the entity described in subsection (c)(2) to enable the State board to determine whether the entity complies with the requirements of such subsection; and

(2) a comprehensive plan for carrying out young child assistance activities in the community, including information indicating—

(A) the young child assistance activities available in the community, as of the date of submission of the plan, including information on efforts to coordinate the activities;

(B) the unmet needs of young children, and parents of young children, in the community for young child assistance activities;

(C) the manner in which funds made available through the grant will be used—

(i) to meet the needs, including expanding and strengthening the activities described in subparagraph (A) and establishing additional young child assistance activities; and

(ii) to improve results for young children in the community;

(D) how the local cooperative will use at least ¾ of the funds made available through the grant to provide young child assistance activities to young children and parents described in subsection (e);

(E) the comprehensive methods that the collaborative will use to ensure that—

(i) each entity carrying out young child assistance activities through the collaborative will coordinate the activities with such activities carried out by other entities through the collaborative; and

(ii) the local collaborative will coordinate the activities of the local collaborative with—

(I) other services provided to young children, and the parents of young children, in the community; and

(II) the activities of other local collaboratives serving young children and families in the community, if any; and

(F) the manner in which the collaborative will, at such intervals as the State board may require, submit information to the State board to enable the State board to carry out monitoring under section 102(f), including the manner in which the collaborative will—

(i) evaluate the results achieved by the collaborative for young children and parents of young children through activities carried out through the grant;

(ii) evaluate how services can be more effectively delivered to young children and the parents of young children; and

(iii) prepare and submit to the State board annual reports describing the results; and

"(3) an assurance that the local collaborative will comply with the requirements of subparagraphs (D), (E), and (F) of paragraph (2), and subsection (f).

"(e) DISTRIBUTION.—In making grants under this section, the State board shall ensure that at least ¾ of the funds made available through each grant are used to provide the young child assistance activities to young children (and parents of young children) who are members of a family with an income below 133 percent of the poverty line.

"(f) LOCAL SHARE.—

"(1) IN GENERAL.—The local collaborative shall contribute a percentage (referred to in this subsection as the "local share") of the cost of carrying out the young child assistance activities.

"(2) PERCENTAGE.—The Secretary shall by regulation specify the percentage referred to in paragraph (1).

"(3) FORM.—The local share of the cost shall be in cash.

"(4) SOURCE.—The local collaborative shall provide for the local share of the cost through donations from private entities.

"(5) WAIVER.—The State board may waive the requirement of paragraph (1) for disadvantaged communities, as defined by the Secretary.

"(g) MONITORING.—The State board shall monitor the activities of local collaboratives that receive grants under this title to ensure compliance with the requirements of this title.

SEC. 104. SUPPLEMENT NOT SUPPLANT.

Funds appropriated under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services for young children.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title $1,000,000,000 for fiscal year 1998, $1,000,000,000 for fiscal year 1999, $2,000,000,000 for fiscal year 2000, $3,000,000,000 for fiscal year 2001, and $4,000,000,000 for fiscal year 2002 and each subsequent fiscal year.

TITLE II—CHILD CARE FOR FAMILIES

SEC. 201. AMENDMENT TO CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

The Child Care and Development Block Grant Act of 1990 is amended by inserting after section 658C (42 U.S.C. 9858b) the following:

"SEC. 658C-1. ESTABLISHMENT OF ZERO TO SIX PROGRAM.

"(a) IN GENERAL.—

"(1) PAYMENTS.—Subject to the amount appropriated under subsection (d), each State shall, for the purpose of providing child care assistance on behalf of children under 6 years of age, receive payments under this section in accordance with the formula described in section 658O.

"(2) INDIAN TRIBES.—The Secretary shall reserve 2 percent of the amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

"(3) REMAINDER.—Any amount appropriated for a fiscal year under subsection (d), and remaining after the Secretary awards grants under paragraph (1) and after the reservation under paragraph (2), shall be used by the Secretary to make additional grants to States based on the formula under paragraph (1).

"(4) REALLOTMENT.—

"(A) IN GENERAL.—Any portion of the allotment under paragraph (1) to a State that the Secretary determines is not required by the State to carry out the activities described in subsection (b), in the period for which the allotment is made available, shall be reallotted by the Secretary to other States in proportion to the original allotments to the other States.

"(B) LIMITATIONS.—

"(i) REDUCTION.—The amount of any reallotment to which a State is entitled to under subparagraph (A) shall be reduced to the extent that it exceeds the amount that the Secretary estimates will be used in the State to carry out the activities described in subsection (b).

"(ii) REALLOTMENTS.—The amount of such reduction shall be similarly reallotted among States for which no reduction in an allotment or reallotment is required by this paragraph.

"(C) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant made to an Indian tribe or tribal organization under paragraph (2) that the Secretary determines is not being used in a manner consistent with subsection (b) in the period for which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations in accordance with their respective needs.

"(5) AVAILABILITY.—Amounts received by a State under a grant under this section shall be available for use by the State during the fiscal year for which the funds are provided and for the following 2 fiscal years.

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—Amounts received by a State under this section shall be used to provide child care assistance, on a sliding fee scale basis, on behalf of eligible children (as determined under paragraph (2)) to enable the parents of such children to secure high quality care for such children.

"(2) ELIGIBILITY.—To be eligible to receive child care assistance from a State under this section, a child shall—

"(A) be under 6 years of age;

"(B) be residing with at least one parent who is employed or enrolled in a school or training program or otherwise requires child care as a preventive or protective service (as determined under rules established by the Secretary); and

"(C) have a family income that is less than 85 percent of the State median income for a family of the size involved.

"(3) INFANT CARE SET-ASIDE.—A State shall set-aside 10 percent of the amounts received by the State under a grant under subsection (a)(1) for a fiscal year for the establishment of a program to establish new models of infant and toddler care, including models for—

"(A) the development of family child care networks;

"(B) the training of child care providers for infant and toddler care;

"(C) securing higher level of compensation for providers of infant and toddler care; and

"(D) the support, renovation, and modernization of facilities used for child care programs serving infants.

"(4) POVERTY LINE.—As used in this subsection, the term "poverty line" means the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) that is applicable to a family of the size involved.

"(c) LEVELS OF ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall promulgate regulations to ensure that the levels of assistance provided by States on behalf of eligible children under this section are, subject to paragraph (2), adequate to provide parents with the ability to select a high quality provider of care of their child. Such regulations shall, to the maximum extent practicable—

"(A) ensure that States provide assistance in amounts that provide at a minimum market rate for child care in the communities involved;

"(B) permit States to adjust rates above the market rates to ensure that families have access to high quality infant and toddler care; and

"(C) encourage States to provide additional assistance on behalf of children for enriched infant and toddler services.

"(2) AMOUNT OF ASSISTANCE.—In providing assistance to eligible children under this section, a State shall ensure that an eligible child with a family income that is less than 100 percent of the poverty line for a family of the size involved is eligible to receive 100 percent of the amount of the assistance for which the child is eligible.

"(d) APPROPRIATION.—For grants under this section, there are appropriated—

"(1) $500,000,000 for fiscal year 1998;

"(2) $1,000,000,000 for fiscal year 1999;

"(3) $2,000,000,000 for fiscal year 2000;

"(4) $3,000,000,000 for fiscal year 2001; and

"(5) $4,000,000,000 for fiscal year 2002 and each fiscal year thereafter.

"(e) REPORT.—Not later than 1 year after the date of enactment of this section, the Secretary shall prepare and submit to the appropriate committees of Congress a report concerning—

"(1) the appropriate child to staff ratios for infants and toddlers in child care settings, including child care centers and family child care homes; and

"(2) other best practices for infant and toddler care.

"(f) APPLICATION OF OTHER REQUIREMENTS.—

"(1) STATE PLAN.—The State, as part of the State plan submitted under section 658E(c), shall describe the activities that the State intends to carry out using amounts received under this section, including a description of the levels of assistance to be provided.

"(2) OTHER REQUIREMENTS.—Amounts provided to a State under this section shall be subject to the requirements and limitations of this subchapter except that section 658E(c)(3), 658F, 658G, 658J, and 658O shall not apply.".

TITLE III—LOAN REPAYMENT FOR CHILD CARE WORKERS

SEC. 301. LOAN REPAYMENT FOR CHILD CARE WORKERS.

Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) is amended by striking the heading for subpart 7 and inserting after subpart 6 (20 U.S.C. 1070d–31 et seq.) the following:

"SUBPART 7—LOAN REPAYMENT FOR CHILD CARE WORKERS

"SEC. 420. LOAN REPAYMENT FOR CHILD CARE WORKERS.

"(a) LOAN REPAYMENT PROGRAM.—

"(1) IN GENERAL.—From amounts appropriated under subsection (f), the Secretary shall carry out a program of assuming the obligation to repay a loan made, insured or guaranteed under part B or part D (excluding loans made under section 428A, 428B, or 428C) for any borrower who—

"(A) is awarded an associate degree, or a baccalaureate or graduate degree, in early childhood development; and

"(B) is employed, for not less than 2 years, in a child care facility serving low-income children who are primarily age birth through 3.

"(2) MAXIMUM AMOUNT.—The Secretary shall determine the maximum amount of loans that may be repayed under this section.

"(3) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out this section.

"(b) LOAN REPAYMENT.—

"(1) IN GENERAL.—Subject to subsection (a)(3), the Secretary shall assume the obligation to repay the total amount of loans under part B or D (excluding a loan made under section 428A, 428B, or 428C) incurred by a borrower in pursuit of a baccalaureate or graduate degree in early childhood development.

"(2) CONSTRUCTION.—Nothing in this subsection shall be construed to authorize the refunding of any repayment of a loan made under part B or D.

"(3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

"(c) REPAYMENT TO ELIGIBLE LENDERS OR HOLDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of loans which are subject to repayment pursuant to this section for such year.

"(d) APPLICATION FOR REPAYMENT.—

"(1) IN GENERAL.—Each eligible individual desiring loan repayment under this section shall submit a complete and accurate application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. Loan repayment under this section shall be on a first-come, first-served basis.

"(2) CONDITIONS.—An eligible individual may apply for repayment after completing the employment described in subsection (a)(1)(B). The borrower shall receive forbearance while engaged in the employment described in subsection (a)(1)(B).

"(e) DEFINITION.—For the purpose of this section the term 'eligible lender' has the meaning given the term in section 435(d).

"(f) CAPPED ENTITLEMENT.—There are authorized to be appropriated and there are appropriated $100,000,000 to carry out this section for fiscal year 1998 and each succeeding fiscal year.".

TITLE IV—FULL FUNDING FOR THE WOMEN, INFANTS, AND CHILDREN PROGRAM

SEC. 401. FULL FUNDING FOR THE WOMEN, INFANTS, AND CHILDREN PROGRAM.

Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) in the second sentence of subsection (a)—

(A) by striking "authorized" and inserting "established"; and

(B) by striking "; up to the authorization levels set forth in subsection (g) of this section,";

(2) in subsection (c)—

(A) in the first sentence of paragraph (1), by striking "may" and inserting "shall"; and

(B) in paragraph (2), by striking "appropriated" and inserting "made available";

(3) in subsection (g)—

(A) by striking paragraph (1) and inserting the following new paragraph:

"(1) FUNDING.—

"(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be—

"(i) appropriated to carry out this section such amounts as are necessary for each of fiscal years 1997 through 2002; and

"(ii) made available such amounts as are necessary for the Secretary of the Treasury to fulfill the requirements of subparagraph (B).

"(B) APPROPRIATIONS.—

"(i) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary of Agriculture, on the date of enactment of the Early Childhood Development Act of 1997 for fiscal year 1997, and October 1 of each fiscal year for each fiscal year thereafter, to carry out this subsection—

"(I) for fiscal year 1997, an additional amount of $1,500,000,000; and

"(II) for each fiscal year thereafter, an amount equal to the total amount made available for fiscal year 1997 to carry out this subsection (including the additional amount referred to in subclause (I)), adjusted on October 1, 1998, and each October 1 thereafter, to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics for the 12-month period ending the preceding June 30.

"(ii) ENTITLEMENT.—The Secretary of Agriculture shall be entitled to receive the funds and shall accept the funds.";

(B) in the first sentence of paragraph (4), by striking "appropriated" and inserting "made available"; and

(C) in paragraph (5), by striking "appropriated" and inserting "made available";

(4) in subsection (h)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "appropriated" both places it appears and inserting "made available"; and

(ii) in subparagraph (C), by striking "appropriated" both places it appears and inserting "made available"; and

(B) in the first sentence of paragraph (2)(A), by striking "1998" and inserting "2002"; and

(5) in subsection (i), by striking "funds appropriated" and inserting "funds made available".

TITLE V—AMENDMENTS TO THE HEAD START ACT

SEC. 501. AUTHORIZATION OF APPROPRIATIONS.

Section 639(a) of the Head Start Act (42 U.S.C. 9834(a)) is amended by inserting before the period at the end the following: ", $4,900,000,000 for fiscal year 1999, $5,500,000,000 for fiscal year 2000, $6,100,000,000 for fiscal year 2001, and $6,700,000,000 for fiscal year 2002".

SEC. 502. ALLOTMENT OF FUNDS.

Section 640(a)(6) of the Head Start Act (42 U.S.C. 9835(a)(6)) is amended—

(1) by striking "1997, and" and inserting "1997,"; and

(2) by inserting after "1998," the following: "6 percent for fiscal year 1999, 7 percent for fiscal year 2000, 8 percent for fiscal year 2001, and 9 percent for fiscal year 2002,".

SEC. 503. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on October 1, 1997.

TITLE VI—SCHOOL INVOLVEMENT LEAVE

SEC. 601. SHORT TITLE.

This title may be cited as the "Time for Schools Act of 1997".

SEC. 602. GENERAL REQUIREMENTS FOR LEAVE.

(a) ENTITLEMENT TO LEAVE.—Section 102(a) of the Family and Medical Leave Act of 1993 (29 U.S.C. 2612(a)) is amended by adding at the end the following:

"(3) ENTITLEMENT TO SCHOOL INVOLVEMENT LEAVE.—

"(A) IN GENERAL.—Subject to section 103(f), an eligible employee shall be entitled to a total of 24 hours of leave during any 12-month period to participate in an activity of a school of a son or daughter of the employee, such as a parent-teacher conference or an interview for a school, or to participate in literacy training under a family literacy program.

"(B) DEFINITIONS.—In this paragraph:

"(i) FAMILY LITERACY PROGRAM.—The term 'family literacy program' means a program of services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family and that integrate all of the following activities:

"(I) Interactive literacy activities between parents and their sons and daughters.

"(II) Training for parents on how to be the primary teacher for their sons and daughters and full partners in the education of their sons and daughters.

"(III) Parent literacy training.

"(IV) An age-appropriate education program for sons and daughters.

"(ii) LITERACY.—The term 'literacy', used with respect to an individual, means the ability of the individual to speak, read, and write English, and compute and solve problems, at levels of proficiency necessary—

"(I) to function on the job, in the family of the individual, and in society;

"(II) to achieve the goals of the individual; and

"(III) to develop the knowledge potential of the individual.

"(iii) SCHOOL.—The term 'school' means an elementary school or secondary school (as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), a Head Start program assisted under the Head Start Act (42 U.S.C. 9831 et seq.), and a child care facility operated by a provider who meets the applicable State or local government licensing, certification, approval, or registration requirements, if any.

"(4) LIMITATION.—No employee may take more than a total of 12 workweeks of leave under paragraphs (1) and (3) during any 12-month period.".

(b) SCHEDULE.—Section 102(b)(1) of such Act (29 U.S.C. 2612(b)(1)) is amended by inserting after the second sentence the following: "Leave under subsection (a)(3) may be taken intermittently or on a reduced leave schedule.".

(c) SUBSTITUTION OF PAID LEAVE.—Section 102(d)(2)(A) of such Act (29 U.S.C. 2612(d)(2)(A)) is amended by inserting before the period the following: "; or for leave provided under subsection (a)(3) for any part of the 24-hour period of such leave under such subsection".

(d) NOTICE.—Section 102(e) of such Act (29 U.S.C. 2612(e)) is amended by adding at the end the following:

"(3) NOTICE FOR SCHOOL INVOLVEMENT LEAVE.—In any case in which the necessity for leave under subsection (a)(3) is foreseeable, the employee shall provide the employer with not less than 7 days' notice, before the date the leave is to begin, of the employee's intention to take leave under such subsection. If the necessity for the leave is not foreseeable, the employee shall provide such notice as is practicable.".

(e) CERTIFICATION.—Section 103 of such Act (29 U.S.C. 2613) is amended by adding at the end the following:

"(f) CERTIFICATION FOR SCHOOL INVOLVEMENT LEAVE.—An employer may require that a request for leave under section 102(a)(3) be supported by a certification issued at such time and in such manner as the Secretary may by regulation prescribe.".

SEC. 603. SCHOOL INVOLVEMENT LEAVE FOR CIVIL SERVICE EMPLOYEES.

(a) ENTITLEMENT TO LEAVE.—Section 6382(a) of title 5, United States Code, is amended by adding at the end the following:

"(3)(A) Subject to section 6383(f), an employee shall be entitled to a total of 24 hours of leave during any 12-month period to participate in an activity of a school of a son or daughter of the employee, such as a parent-teacher conference or an interview for a school, or to participate in literacy training under a family literacy program.

"(B) In this paragraph:

"(i) The term 'family literacy program' means a program of services that are of sufficient intensity in terms of hours, and of sufficient duration, to make sustainable changes in a family and that integrate all of the following activities:

"(I) Interactive literacy activities between parents and their sons and daughters.

"(II) Training for parents on how to be the primary teacher for their sons and daughters and full partners in the education of their sons and daughters.

"(III) Parent literacy training.

"(IV) An age-appropriate education program for sons and daughters.

"(ii) The term 'literacy', used with respect to an individual, means the ability of the individual to speak, read, and write English, and compute and solve problems, at levels of proficiency necessary—

"(I) to function on the job, in the family of the individual, and in society;

"(II) to achieve the goals of the individual; and

"(III) to develop the knowledge potential of the individual.

"(iii) The term 'school' means an elementary school or secondary school (as such terms are defined in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801)), a Head Start program assisted under the Head Start Act (42 U.S.C. 9831 et seq.), and a child care facility operated by a provider who meets the applicable State or local government licensing, certification, approval, or registration requirements, if any.

"(4) No employee may take more than a total of 12 workweeks of leave under paragraphs (1) and (3) during any 12-month period.".

(b) SCHEDULE.—Section 6382(b)(1) of such title is amended by inserting after the second sentence the following: "Leave under subsection (a)(3) may be taken intermittently or on a reduced leave schedule.".

(c) SUBSTITUTION OF PAID LEAVE.—Section 6382(d) of such title is amended by inserting before ", except" the following: ", or for leave provided under subsection (a)(3) any of the employee's accrued or accumulated annual leave under subchapter I for any part of the 24-hour period of such leave under such subsection".

(d) NOTICE.—Section 6382(e) of such title is amended by adding at the end the following:

"(3) In any case in which the necessity for leave under subsection (a)(3) is foreseeable, the employee shall provide the employing agency with not less than 7 days' notice, before the date the leave is to begin, of the employee's intention to take leave under such subsection. If the necessity for the leave is not foreseeable, the employee shall provide such notice as is practicable.".

(e) CERTIFICATION.—Section 6383 of such title is amended by adding at the end the following:

"(f) An employing agency may require that a request for leave under section 6382(a)(3) be supported by a certification issued at such time and in such manner as the Office of Personnel Management may by regulation prescribe.".

SEC. 604. EFFECTIVE DATE.

This title takes effect 120 days after the date of enactment of this Act.

ADDITIONAL COSPONSORS

S. 193

At the request of Mr. GLENN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 193, a bill to provide protections to individuals who are the human subject of research.

S. 251

At the request of Mr. SHELBY, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 251, a bill to amend the Internal Revenue Code of 1986 to allow farmers to income average over 2 years.

S. 356

At the request of Mr. GRAHAM, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of S. 356, a bill to amend the Internal Revenue Code of 1986, the Public Health Service Act, the Employee Retirement Income Security Act of 1974, the titles XVIII and XIX of the Social Security Act to assure access to emergency medical services under group health plans, health insurance coverage, and the medicare and medicaid programs.

S. 375

At the request of Mr. MCCAIN, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 375, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 387

At the request of Mr. HATCH, the names of the Senator from Nevada [Mr. BRYAN] and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 387, a bill to amend the Internal Revenue Code of 1986 to provide equity to exports of software.

S. 419

At the request of Mr. BOND, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 419, a bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes.

S. 442

At the request of Mr. WYDEN, the names of the Senator from Montana [Mr. BURNS], the Senator from Arizona [Mr. MCCAIN], the Senator from Alabama [Mr. SHELBY], and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 442, a bill to establish a national policy against State and local government interference with interstate commerce on the Internet or interactive computer services, and to exercise congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, and for other purposes.

S. 460

At the request of Mr. BOND, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 460, a bill to amend the Internal Revenue Code of 1986 to increase the deduction for health insurance costs of self-employed individuals, to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home, to clarify the standards used for determining that certain individuals are not employees, and for other purposes.

S. 476

At the request of Mr. HATCH, the names of the Senator from New York [Mr. D'AMATO] and the Senator from Texas [Mrs. HUTCHISON] were added as cosponsors of S. 476, a bill to provide for the establishment of not less than 2,500 Boys and Girls Clubs of America facilities by the year 2000.

S. 528

At the request of Mr. CAMPBELL, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 528, a bill to require the display of the POW/MIA flag on various occasions and in various locations.

S. 665

At the request of Mr. KERREY, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 665, a bill to monitor the progress of the Telecommunications Act of 1996.

SENATE RESOLUTION 64

At the request of Mr. ROBB, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of Senate Resolution 64, a resolution to designate the week of May 4, 1997, as "National Correctional Officers and Employees Week".

SENATE RESOLUTION 76

At the request of Mr. THURMOND, the names of the Senator from Delaware [Mr. ROTH] and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of Senate Resolution 76, a resolution proclaiming a nationwide moment of remembrance, to be observed on Memorial Day, May 26, 1997, in order to appropriately honor American patriots lost in the pursuit of peace and liberty around the world.

SENATE RESOLUTION 86—RELATIVE TO TELEPHONE ACCESS CHARGES FOR USE OF THE INTERNET

Mr. ABRAHAM (for himself and Mr. LEAHY) submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 86

Whereas with the enactment of the Telecommunications Act of 1996 (Public Law 104-104), Congress sought to stimulate through the competitive marketplace the rapid deployment of new communications technologies at the lowest possible cost to the customers;

Whereas the Internet is the most noteworthy example of the development of an advanced communications network, having expanded from the four linked sites of its precursor network in 1969 to become the first ubiquitous, interactive advanced communications network today;

Whereas the Internet is a digital electronic environment where different forms of multimedia flow freely and efficiently;

Whereas over 15,000,000 households are currently connected to the Internet and 48,000,000 households are expected to be so connected by the year 2000;

Whereas the Internet is an invaluable tool for personal communications, education, telemedicine, and better integrating the elderly, the disabled, and individuals living in remote locations into the life of the Nation;

Families First Agenda

Legislative Specifications

House Democratic Leader Richard A. Gephardt
Senate Democratic Leader Thomas A. Daschle

June 28, 1996

FAMILIES FIRST AGENDA

I. SECURITY

A. PAYCHECK SECURITY

- Fair Pay
- Expanding Child & Dependent Care Tax Credit
- Banning Imports Made with Child Labor

B. HEALTH CARE SECURITY

- Making Kids Coverage More Available & Affordable

C. RETIREMENT SECURITY

- Pension Reform Initiative (Clinton Bill & Women's Pension Protections)

D. PERSONAL SECURITY

- Crime Initiative (COPS Phase II/After-School Safe Havens/Drug Enforcement & Prevention)

II. OPPORTUNITY

A. EDUCATIONAL OPPORTUNITY

- HOPE Scholarships & Tax Deductions for Education & Training

B. ECONOMIC OPPORTUNITY

- Small Business Initiative
- State Infrastructure Banks

III. RESPONSIBILITY

A. GOVERNMENTAL RESPONSIBILITY

- Balanced Federal Budget

B. INDIVIDUAL RESPONSIBILITY

- Welfare Reform & "Deadbeat Parents"
- Teen Pregnancy

C. CORPORATE RESPONSIBILITY

- Better Protecting Pensions
- Requiring Environmental Responsibility
- Repealing Tax Break That Encourages Companies to Move Jobs Overseas

FAMILIES FIRST AGENDA

PAYCHECK SECURITY

1) FAIR PAY

In today's tough new economy, families increasingly need two earners just to make ends meet. More and more women are being required to enter the workforce in order to increase their family's income and ensure that the mortgage, food, utility, and clothing bills are met each month.

And yet, as women enter the workforce in order to help their families pay all the bills, they still find -- even in the 1990s -- that they are often underpaid for the work that they do. Indeed, women still earn 75 cents to a man's dollar. One reason that women continue to be underpaid is that many of them work in female-dominated occupations -- which have historically been underpaid.

More and more working families are finding that, if women were truly being paid what they were worth, the entire family would be better off.

Hence, the issue of women workers being paid what they are worth in the workplace has become, not only a matter of basic fairness, but also a central economic concern for millions of working families.

The Families First Agenda contains a "fair pay" initiative that includes two parts:

- **Enhanced Enforcement of the Equal Pay Act** -- The Equal Pay Act, passed in 1963, made it illegal to pay different wages to women and men doing the same work. The Equal Employment Opportunities Commission (EEOC) enforces the Act. Over the years, the Equal Pay Act has never been fully enforced -- in part due to inadequate enforcement resources.

  This initiative proposes stiffer enforcement and tougher penalties for violations under the Equal Pay Act. It also proposes improving data collection regarding the pay of men and women across various business sectors, as well as increasing public disclosure of diversity data for senior corporate positions. Finally, it proposes that the EEOC and the Office of Federal Contract Compliance Programs (which enforces work discrimination rules including equal pay requirements for federal contractors) be provided earmarked resources to be used only for enforcement of equal pay requirements.

- **Voluntary Employer Guidelines on Fair Pay** -- Another key step in achieving fair pay for women, in addition to strictly enforcing the Equal Pay Act, is ensuring that the wages of a woman are not being unfairly held down simply because she is working in a female-dominated occupation. In order to assist businesses seeking to achieve fair pay, the Secretary of Labor would be charged with developing voluntary fair pay guidelines for the nation's employers. These guidelines would give businesses a model framework for assuring equal pay for equivalent work. In order to focus greater national attention on the problem of fair pay, there would also be a National Summit on Fair Pay. This first-ever summit would develop a specific legislative action plan for Congress to better achieve fair pay in American workplaces.

2) EXPAND CHILD & DEPENDENT CARE TAX CREDIT

In today's economy, in most American homes, both parents are required to work in order to pay all the bills. Hence, the majority of working families are required to find child care -- especially when their children are very young, and for many also in the after-school hours once their children become school-age.

Hence, a primary concern of many working families is finding high-quality child care -- in appropriate, safe conditions -- that they can afford.

The current tax code offers a tax credit for dependent care expenses. However, the present credit offers little tax relief to millions of working families. The current statute reduces the percentage of tax credit as the family's income rises above $10,000. For example, a couple earning $30,000 a year with one child can only receive a maximum credit of $480 a year -- even though their child care expenses may be close to $4,000.

The Families First Agenda contains a proposal to make child care more affordable for millions of working families -- by making the tax credit more generous.

This Democratic proposal makes the tax credit more generous in three ways. First, it doubles the income threshold at which the tax credit begins to be phased down -- from $10,000 to $20,000. Secondly, it increases the maximum amount of day care expenses that can qualify for the credit. (Currently, the maximum credit is 30% of day care expenses up to $2,400 for one dependent and up to $4,800 for two or more dependents. Under the proposal, the maximum credit would be 30% of day care expenses up to $3,600 for one dependent and up to $5,400 for two or more dependents.)

As a result of these two changes, a couple earning $30,000 a year with one child could now receive a maximum credit of $900 a year. Hence, the impact of this proposal would be to almost double their tax credit for child care.

Thirdly, the proposal would make the dependent care tax credit refundable. The credit is currently non-refundable.

This proposal recognizes that good day care is an essential component of our children's development into productive citizens. In addition, more affordable day care could help serve the "latchkey kid" population that is currently often left for hours in the afternoon with no adult supervision.

3) BAN IMPORTS MADE WITH CHILD LABOR

In this new, highly competitive, global economy, American workers are prepared for fair competition from their counterparts around the world. However, American workers should not be asked to compete with child labor from abroad.

Hence, the Families First Agenda contains a proposal to ban the importing into the United States of products made with child labor.

The vast majority of countries in the world today -- including such countries as India, China, and Guatemala -- do have at least some laws imposing restrictions on the use of child labor. The chief problem has been not the absence of any child labor laws whatsoever -- but rather the lax enforcement of these child labor laws in many countries around the globe.

Hence, under this Democratic proposal, in order to import into the United States, importers of record would be required to certify to the Customs Service that the products they are importing are not produced in violation of the particular country's child labor laws. (Competitors could then bring a complaint to the Customs Service if they had reason to believe that this certification was false.)

Secondly, this proposal would call on countries around the world to beef up enforcement of their existing child labor laws. It would also call for the upward harmonization of all countries' child labor standards over time. Under the proposal, the United States would be required to use its voice and vote in international organizations to push for enhanced child labor protections.

FAMILIES FIRST AGENDA

HEALTH CARE SECURITY

This Congressional Democratic agenda assumes that the Kennedy-Kassebaum Health Insurance Reform bill will be enacted sometime in 1996. However, if it is not enacted in 1996, it will be the first item of the Democratic agenda in 1997.

The Kennedy-Kassebaum bill contains a number of important provisions for working families, including:

- Guaranteeing the portability of health insurance coverage for workers who change or lose their jobs;
- Prohibiting health insurance companies from denying coverage for pre-existing medical conditions; and
- Prohibiting health insurance companies from denying coverage to employers with two or more employees.

Once the Kennedy-Kassebaum bill has become law, Congressional Democrats also endorse a step in expanding the health care coverage available to the children of working parents, as described below.

MAKING THE HEALTH COVERAGE OF CHILDREN MORE AVAILABLE AND AFFORDABLE FOR WORKING FAMILIES

In millions of American working families, both spouses work and yet neither spouse works at a job that offers health insurance benefits.

Hence, millions of American children have working parents and yet have no health insurance coverage whatsoever.

Many working parents are kept awake at night worrying about the lack of health coverage for their children -- and how they will be able to ensure good care for their child if the child has an accident or becomes seriously ill.

Children are much less expensive to insure than whole families -- and yet few insurers allow families to purchase "children-only" policies. It is estimated that a health insurance policy for a child under 13 would cost about $1,000.

This Democratic initiative, contained in the Families First Agenda, will help working parents obtain health insurance for their children, by making "kids-only" policies available, accessible, and affordable.

This initiative represents a first step in ultimately ensuring that all American children have access to affordable health care.

This initiative has three components:

1. TO MAKE "KIDS-ONLY" INSURANCE AVAILABLE

- Mandate that all insurance companies and managed care plans that do business with the Federal Government (through FEHBP, Medicare, Medicaid, etc.) offer " children-only" policies -- for children up to the age of 13.

- Require these policies to cover no less than the benefits offered in their government packages.

2. TO MAKE "KIDS-ONLY" INSURANCE ACCESSIBLE

- Mandate various consumer protections in these "kids-only" policies (similar to the protections contained in the Kennedy-Kassebaum bill), including guaranteed issue, guaranteed renewability, no discrimination based on health status, etc.

3. TO HELP MAKE "KIDS-ONLY" INSURANCE MORE AFFORDABLE

- Provide assistance to working families to cover a portion of the cost of the premium, including tax relief and premium subsidies.

FAMILIES FIRST AGENDA

RETIREMENT SECURITY

Millions of American working families worry about whether, after a lifetime of hard work, they will have economic security when they retire. Specifically, families worry about whether they will be able to gain access to a pension plan during their working years, whether they can take their pension plan with them when they change jobs, and whether their pension will still be there for them when they finally retire.

A PENSION REFORM INITIATIVE

The Families First Agenda includes a major pension reform initiative to improve pension coverage, portability and protection. The initiative includes three components: 1) President Clinton's Retirement Savings and Security Act; 2) provisions better protecting women's pension benefits; and 3) miscellaneous additional pension reforms.

President Clinton's Retirement Savings and Security Act

First, this Democratic initiative includes the provisions contained in President Clinton's Retirement Savings and Security Act, submitted to Congress in May. These provisions include:

- **Expanding Pension Coverage** -- The bill expands pension coverage by: offering small businesses a simple small business 401(k) plan (called the NEST), thereby potentially expanding pension coverage by up to 10 million workers; simplifying 401(k) plans for all businesses; and making the employees of non-profit organizations eligible for 401(k) plans, thereby potentially expanding pension coverage by up to an additional 9 million workers.

- **Expanding IRAs** -- Currently, deductible IRAs are available to families who have pension coverage only if household income is under $50,000 for married couples and under $35,000 for single taxpayers and can be withdrawn penalty-free only after age 59 ½.

  The bill makes IRAs more attractive and expands eligibility to 20 million more families. Specifically, the bill doubles the income limits from $50,000 to

$100,000 for married couples and from $35,000 to $70,000 for single taxpayers for a deductible IRA where a family member has pension coverage; and also allows penalty-free withdrawals from IRAs for education and training, first home purchases, major medical expenses, and during long-term unemployment.

- **Increasing Pension Portability** -- The bill increases pension portability by: requiring the Treasury Department to issue new rules to make it easier for employers to accept rollovers into their pension plans from employees' previous pension plans; changing a law that encourages private employers to impose a one-year waiting requirement before employees can participate in the company's pension plan; and ensuring that workers get the benefits they have earned, even if they have long left the job or the employer is no longer in business.

- **Enhancing Pension Protection** -- The bill enhances pension protection by: requiring plan administrators and accountants to report promptly the serious misuse of pension funds, with fines of up to $100,000; requiring state and local government pension plans be held in trust; and doubling the maximum level of annual benefits guaranteed under multiemployer plans.

- **Better Preventing Pension Raids** -- Finally, the bill better prevents pension raiding by: ensuring continued opposition to efforts to reduce the prohibitive excise taxes that were put in place in 1990 on money withdrawn by companies from pension funds and used for other purposes; and requiring the Labor Department to report regularly to Congress on any attempts by companies to tap into pension funds.

Protecting Women's Pension Benefits

This initiative also contains a series of provisions to create better protections respecting women's pension rights.

One central concern is that, in certain cases, when a woman is widowed, she learns that she and her husband had <u>unknowingly</u> signed away her rights to survivor benefits -- due to misleading and confusing spousal consent forms used by certain insurers.

This initiative would protect spouses against unknowingly signing away rights to survivor benefits by requiring the development of a model, easy-to-read, full-disclosure spousal consent form -- which must be used by companies selling annuities and other pension benefits to American workers.

The initiative also protects spouses against loss of access to pension benefits during divorce proceedings by developing a model form for disposition of pension benefits during a divorce.

In addition, the initiative also includes provisions to modernize civil service and military pension provisions that currently disadvantage widows and divorced spouses, including provisions to: 1) allow widows and divorced spouses to collect awarded civil service pension benefits if the spouse or ex-spouse dies after leaving civil service and before collecting benefits; and 2) authorize courts to order the naming of an ex-spouse as the beneficiary of all or a portion of any refunded contributions for a civil service pension, in divorce proceedings.

Other Pension Reform Provisions

This initiative also contains the following additional pension reform provisions not included in President Clinton's Retirement Savings and Security Act or in the women's pension equity provisions, including:

- Requiring employers to invest employee pension contributions in no more than 15 days -- down from the current 90-day limit. (This would stop the involuntary interest-free loans employers have been taking from employee pension funds);

- Allowing for the creation of portable pension plans through a non-profit cooperative or clearinghouse to which employees and employers could easily contribute; and

- Increasing monetary and criminal penalties for pension raiding.

FAMILIES FIRST AGENDA

PERSONAL SECURITY

CRIME INITIATIVE -- KEEPING AMERICANS SAFE IN THEIR HOMES, THEIR NEIGHBORHOODS, AND THEIR SCHOOLS

1. EXTENDING THE 100,000 COPS PROGRAM

The 100,000 Cops-on-the-Beat program -- created by the 1994 Omnibus Crime Act -- has already proven to be enormously successful and enormously popular in communities all across the country. It guarantees 100,000 additional police officers on the streets between FY 1995 and FY 2000 (with federal funding actually dramatically dropping off after FY 1999). The COPS program is showing effective results nationwide -- crime rates are down and violence is down. The program has been praised by police chiefs, sheriffs, mayors, and rank-and-file police officers throughout the nation.

A number of states and localities across the country are already expressing an interest in extending the COPS program beyond its currently scheduled expiration date of FY 2000. Hence, this initiative would extend the program for two additional years -- through FY 2002 -- and ensure adequate federal funding throughout these next six years. The initiative would thereby ensure that states and localities can continue to add community police to their forces throughout the six-year period. Under the proposal, by FY 2002, there would be an additional 125,000 police on the streets -- rather than the 100,000 under current law.

2. LAUNCHING A CAMPAIGN AGAINST YOUTH CRIME: MORE ADULT SUPERVISION FOR YOUTH AND MORE OPTIONS FOR JUVENILE COURT JUDGES

The 104th Congress is already considering legislation regarding making changes in the juvenile justice system with respect to juveniles arrested for violent crimes -- who make up 5% of total juvenile arrests.

However, this initiative involves taking the next step of addressing the vast majority of juveniles who are not violent to give them the attention and help they need to stay away from violence and crime. This initiative proposes: 1) encouraging the establishment of after-school "safe havens," to ensure adult supervision during after-school hours; and 2) providing juvenile court judges with more options in dealing with non-violent juvenile offenders, in order to help keep them from becoming repeat or serious offenders.

After-School "Safe-Havens"

50% of youth crime occurs during the unsupervised hours between school and dinnertime. We need more "safe havens" for the vast majority of America's children who go home to an empty house or apartment after school. "Safe havens" give kids a place to go after school so they are off the streets and out of trouble and where they are also less likely to become the victims of crime by others.

This initiative would encourage the establishment of after-school "safe havens" by providing state and local governments with technical assistance in how they can work with community-based organizations in establishing after-school "safe haven" programs. "Safe haven" programs could include the expansion of such programs as Boys & Girls Clubs, DARE programs, and Police Athletic Leagues.

Early Intervention with Non-Violent Juvenile Offenders

95% of total juvenile arrests -- more than two million juveniles -- are for non-violent crimes. We must intervene with these 95% at the time of their first misbehavior -- and keep them from becoming repeat or serious offenders.

Today, in most states, a juvenile can commit multiple non-violent offenses before they get any real attention from the juvenile justice system. Most juvenile court judges currently have very few options for handling these non-violent offenders.

This initiative would address this problem by giving states incentives and resources for providing juvenile court judges the ability to impose a range of graduated sanctions designed to prevent additional criminal behavior. Such a range would start with options like counseling, drug testing/treatment, job training, or community service, and move to restitution, enrollment in alternative schools, and crime-specific programs, such as an anti-auto theft program.

3. FIGHTING DRUGS

Expanding Drug Testing and Treatment Through Drug Courts

Drug courts have proven effective in reducing recidivism rates among drug-addicted offenders. Without drug courts, most drug offenders are sent right back out on the streets with no help in breaking their addiction.

This initiative calls for increasing the federal support for drug courts, in which offenders receive drug testing/treatment and job training. The initiative would also permit states to use prison dollars provided under the 1994 Crime law to provide drug treatment to prisoners before their release and to institute drug testing/treatment for offenders released on parole or probation.

Fully Funding Safe and Drug-Free Schools

Finally, this initiative calls for fully funding the Safe and Drug-Free School program -- until it is ensured that every elementary and high school student is being exposed to drug education and prevention services. This is particularly important because recent surveys have shown that large numbers of young people are currently discounting the dangers of drug use.

FAMILIES FIRST AGENDA

EDUCATIONAL OPPORTUNITY

Expanded educational opportunity is more critical today -- in the tough, new, global economy -- than at any previous time in American history. Indeed, the wage premium for better-educated workers has expanded dramatically just over the past 15 years. For example, in 1993, full-time male workers aged 25 and over with a college degree earned on average 89% more per year than their counterparts with only a high school degree.

And yet, at the same time that a college degree is becoming more and more valuable, more and more working families are concerned that a college education may be out-of-reach for their children.

Indeed, the number-one concern of millions of working parents is whether or not they will ever be able to afford to send their children to college -- in light of the fact that college tuition has simply skyrocketed in recent years. Indeed, college tuition has grown by 269% since 1980.

HOPE SCHOLARSHIPS & TAX DEDUCTIONS FOR EDUCATION AND TRAINING

The Families First Agenda contains a Democratic initiative designed to make a college education, as well as vocational training, more affordable for millions of American working families.

HOPE Scholarships

This Democratic initiative includes the HOPE Scholarship program, as proposed by President Clinton on June 4.

The HOPE Scholarship program would provide all students with a $1,500 refundable tax credit for full-time tuition in their first year of college ($750 for half-time tuition) and another $1,500 in their second year if they work hard, stay off drugs, and earn at least a B average in their first year.

This HOPE Scholarship program will attempt to make two years of college as universally accessible as high school is today.

This $1,500 credit is $300 above the national average community college tuition and would make tuition free for 67% of all community college students. While the tax credit is priced to pay for the full cost of community college, the credit can be applied to tuition at <u>any</u> college -- from a two-year public community college to a four-year private college. This $1500 tax credit would be a substantial downpayment for parents sending their children to colleges with higher tuition.

The tax credit would be phased out at higher income levels. For joint filers, the credit would be phased out at incomes between $80,000 and $100,000. For single filers, the credit would be phased out between $50,000 and $70,000.

Tax Deductions for Education and Training Expenses

This Democratic initiative <u>also</u> includes tax deductions for education and training expenses -- both the $10,000 tax deduction proposed by the Clinton Administration for direct education and training expenses as well as a tax deduction for student loan interest.

First, the initiative includes the $10,000 tax deduction for tuition for college, graduate school, community college, and certified training and technical programs, as proposed by the Clinton Administration. In order to receive the deduction, the tuition must be for an education or training program that is at least half-time or related to a worker's career.

Eligible students in their first two years of college or their parents must <u>choose</u> between either the HOPE Scholarship <u>or</u> the tax deduction. The deduction is up to $10,000 a year per <u>family</u>; the credit is $1,500 per <u>student</u>.

The $10,000 tax deduction would be available even to those taxpayers who do not itemize their deductions. It would also be available for any year a family has education or training expenses.

As with the tax credit, the tax deduction would be phased out at higher income levels. For joint filers, the deduction would be phased out at incomes between $80,000 and $100,000. For single filers, the deduction would be phased out between $50,000 and $70,000.

Finally, <u>unlike</u> the Clinton tax deduction proposal, this Democratic initiative <u>also</u> includes a tax deduction for student loan interest. Under this proposal, those paying off student loans taken out under a federal or state loan program for higher education would be able to deduct the interest payments on those loans. This tax deduction would also be phased out at higher income levels.

FAMILIES FIRST AGENDA

ECONOMIC OPPORTUNITY

1) SMALL BUSINESS INITIATIVE

Small businesses are the real engine of job creation in our economy. Over half of all new jobs are being created in the small business sector. As large companies downsize, small companies are upsizing.

And yet, for too long, it is the wealthiest corporations that are getting all the tax breaks and special favors in Washington, D.C.

In too many cases, the tax code and other public laws have favored large corporations over the vital small business sector.

The Families First Agenda includes two important steps to provide needed tax relief to small businesses:

A) Keeping Family Businesses in the Family

Currently, in certain situations, upon the death of the owner of a small business, the heirs must liquidate the family business in order to obtain the cash to pay federal estate taxes.

This proposal would allow the heirs to pay these estate taxes in annual installments, with a favorable interest rate of 4%, on the first $2.5 million of the estate (up from the current, much-less-generous $1 million threshold). In addition, the proposal would liberalize the types of small businesses that could qualify for this favorable tax treatment.

This proposal would allow many family businesses to stay in the family – rather than having to be liquidated.

B) Increasing Expensing of Depreciable Property

Federal income tax law generally requires the taxpayer to depreciate amounts spent to purchase machinery and equipment. The business owner is generally required the deduct the cost of the purchase over the life expectancy of the property, which is usually a number of years. However, current law includes an exception which permits a small business to immediately deduct ("expense") the full amount paid each year up to a certain maximum.

In 1993, the Democratic Congress enacted a law increasing the amount that small businesses were allowed to expense -- from $10,000 to $17,500. The version of this bill that had originally passed the House had increased this amount to $25,000, but it was scaled back in the Senate.

This proposal would revive the proposal of Democrats in 1993 to immediately raise the amount that small businesses are allowed to expense from $17,500 to $25,000 -- effective in January 1998. Increased expensing would give needed funds to small businesses that have limited access to capital markets. Increased expensing (rather than using depreciation) also simplifies tax reporting and record-keeping -- which are more burdensome for small businesses.

2) PARTNERSHIP WITH PRIVATE SECTOR IN REBUILDING COMMUNITIES

Decaying roads, bridges, rail systems, and water treatment systems are clogging the economic lifelines of communities around the country. Indeed, studies have shown upwards of $40 billion in annual losses from traffic congestion alone. With "just-in-time" manufacturing a critical ingredient of our economic competitiveness, a modern, efficient transportation system is more vital now than ever.

However, the lack of adequate investment in such items as roads, bridges, airports and sewer systems is hampering economic growth in communities all across the country.

The Families First Agenda contains a Democratic proposal for a new investment partnership -- using public funds to leverage additional private investment -- in order to boost investment in our roads, transit systems, airports, sewers, drinking water, schools, and other infrastructure. Democrats will work to fully utilize the annual revenues flowing to our transportation trust funds for their intended purpose: infrastructure investment.

The central component of this new investment initiative calls for drawing down the large unexpended balances in the Highway and Airport Trust Funds by $1.75 billion a year and distributing the funds to State Infrastructure Banks, to be used for the highway, transit and airport projects for which those funds were raised. This $1.75 billion in federal investment would then be leveraged by the State Banks to generate significant additional state and private investment. The initiative also includes an additional $250 million a year in increased funding for improved sewage treatment, safe drinking water facilities, and school facilities.

State Infrastructure Banks: A New Tool To Fund Public Works

To expand investment and get the most from taxpayer dollars, states have begun to establish State Infrastructure Banks to attract private investment. These State Infrastructure Banks are a means of increasing and improving both public and private investment in infrastructure. The Banks provide greater flexibility to support the financing of projects by using federal-aid funds for revolving loan funds and other forms of innovative financing which attract private investment.

This Democratic investment initiative would supplement our current infrastructure programs with support for State Infrastructure Banks, making the Banks a nationwide program in which all 50 states could participate.

Under the proposal, the Federal Government would distribute funds by drawing from the large unexpended balances that currently exist in the Highway and Airport Trust Funds to capitalize State Infrastructure Banks in every state. The State Infrastructure Banks would then use the funding from these unexpended balances for the purposes for which they were raised: investment in highway, transit and airport projects.

The state banks would offer grants, loans, risk insurance, lines of credit, and/or other financing to attract private capital to infrastructure projects for which dedicated revenues can be identified. States would be free to design the banks to suit their particular needs.

This proposal is similar in concept to the Clean Water Act's highly successful State Revolving Loan Program, in which the Federal Government capitalizes state loan funds (except that it would *supplement*, rather than replace, current grant programs). This proposal builds on the recently-passed National Highway System legislation, which establishes ten State Banks, and the President's FY 1997 budget proposal to provide $250 million for their capitalization.

The use of innovative financing, though in its early stages, is already being used in many areas of the country. The Clinton Administration already has helped 35 states accelerate over 75 innovative financing infrastructure projects, allowing most to be completed three, five, or even ten years ahead of schedule.

The initiative calls for $1.75 billion in new federal funding for these State Infrastructure Banks each year, which -- due to the ability to leverage state and private funding -- would lead to a total of over $4 billion in new infrastructure investment each year (assuming a 20% matching requirement for states and a conservative leveraging ratio of 2-to-1). As states gain expertise, state banks eventually could achieve even higher leveraging ratios. Under this proposal, DOT is also given greater flexibility and authority to assist states with interstate or large projects important to national competitiveness.

Additional Infrastructure for Safe Drinking Water and School Improvements

Secondly, under this proposal, the Federal Government would provide the Environmental Protection Agency and State Education Agencies $250 million in additional revenues each year to distribute for infrastructure projects to improve sewage treatment, safe drinking water facilities, and school facilities. These funds will also be leveraged to attract additional investment.

This additional $250 million a year would help the nation address the fact that there is currently billions of dollars in backlog in the nation's sewage, drinking water treatment, and school improvement needs.

FAMILIES FIRST AGENDA

GOVERNMENTAL RESPONSIBILITY

The Families First Agenda insists that responsibility be exercised by <u>every</u> quarter of American society -- including individuals, corporations, <u>and</u> government. Government's responsibility is to exercise fiscal responsibility by achieving a balanced federal budget.

A BALANCED FEDERAL BUDGET

Congressional Democrats endorse a balanced federal budget that is consistent with American values and is fair to all Americans.

Congressional Democrats call for balancing the budget through: closing tax loopholes for wealthy special interests; eliminating unnecessary business subsidies; making responsible reforms and adjustments in various entitlement programs; requiring more burdensharing with our allies in paying for the costs of defending Europe and Asia; rooting out fraud and abuse by unscrupulous providers and others in the Medicare and Medicaid programs; continuing the "Reinventing Government" initiative in order to make government services more cost-effective; and reducing funding for low-priority programs.

Congressional Democrats know that the budget can be balanced while still maintaining our obligations to our parents, our children, and our future. Specifically, Democrats endorse a budget that is balanced in a responsible and realistic way, while still:

- Protecting Medicare and its guarantee of affordable, high-quality health care for senior citizens from damaging reductions and ensuring that reductions in the Medicare program are <u>never</u> used to pay for tax breaks for the wealthy;

- Protecting Medicaid from damaging reductions and continuing the guarantee of health care coverage for children living in poverty and nursing home coverage for seniors who have exhausted all their resources;

- Protecting seniors from the threat of seizure of their homes or family farms to pay their spouses' nursing home bills;

- Protecting working families from the liability for the nursing home bills of their elderly parents,

- Investing in the education and training of America's young people and workers, to better prepare our country to compete in the world economy of the 21st century; and

- Protecting the environment.

Together, the American people can protect high-priority programs and still balance the budget in a realistic and sustainable way.

Like the Clinton budget, the Families First Agenda calls for balancing the federal budget but also providing middle-class Americans with targeted assistance -- through such items as targeted tax relief. The targeted assistance in the Families First Agenda is actually somewhat less extensive than that proposed in the Clinton budget. Certainly, balancing the budget and also providing targeted assistance to middle-class families will require large spending reductions in many areas of the budget -- as are called for in the Clinton budget -- and Democrats have shown a willingness to support such large spending reductions.

The Clinton balanced budget plan balances the budget and still provides targeted tax relief to middle-class families. Specifically, the Clinton plan balances the budget through $461 BILLION in total deficit reduction, which is composed of the following three components:

- $524 BILLION in spending reductions;

- $117 BILLION in targeted middle-class tax relief; and

- $54 BILLION in revenue increases achieved through tax loophole-closings targeted at special interests.

The Families First Agenda will balance the budget with precisely the same three components -- large spending reductions, targeted middle-class tax relief, and tax loophole-closings targeted at special interests.

FAMILIES FIRST AGENDA

INDIVIDUAL RESPONSIBILITY

The Families First Agenda insists that responsibility be exercised by every quarter of American society -- including government, corporations, and individuals. Individual responsibility can be better enhanced through enactment of: 1) welfare reform legislation that imposes work requirements on welfare recipients; 2) tough "deadbeat parents" legislation that requires parents to support their children; and 3) a teen pregnancy initiative that enhances personal responsibility and is targeted at dramatically reducing the teen pregnancy rate.

1) WELFARE REFORM & "DEADBEAT PARENTS"

Congressional Democrats endorse welfare reform legislation that is tough on work but protects innocent children. Specifically, Democrats endorse welfare reform legislation that achieves the following goals:

- Tying welfare to work, by imposing work requirements for receipt of welfare benefits;
- Providing the resources required to successfully move people from welfare to work -- including ensuring child care and transitional health care for those moving into the workforce;
- Requiring parental responsibility, but also protecting innocent children; and
- Requiring responsibility from sponsors of legal immigrants, but also not unfairly penalizing legal immigrants.

Congressional Democrats also endorse, as part of welfare reform, tough "deadbeat parents" legislation that achieves the following goals:

- Ensuring uniform interstate child support laws;
- Giving states new tools to ensure that child support orders can be collected across state lines;
- Strengthening child support collection, including strengthening and expanding income withholding from wages; and
- Strengthening child support enforcement, such as motor vehicle liens,

suspension of drivers' and professional licenses, and denial of passports.

2) TEEN PREGNANCY

Congressional Democrats endorse an aggressive, national campaign focused on dramatically bringing down the rate of teen pregnancy. Democrats believe that the only way in which such a campaign will be successful is if every level of American society -- ranging from elected political leadership to grass-roots community organizations -- get involved in focusing national attention on preventing teen pregnancy.

All Americans need to speak out about the importance of preventing "children from having children."

Specifically, Democrats endorse a teen pregnancy initiative that achieves the following goals:

- Requiring states to intensify efforts to establish paternity as a means of holding non-custodial parents accountable for their actions and responsible to their children;

- Providing technical assistance to state and local governments in setting up teen pregnancy prevention programs focusing on at-risk young people who are not yet parents; and

- Providing for partnerships with community-based volunteer organizations in developing programs focused on prevention of teen pregnancy.

FAMILIES FIRST AGENDA

CORPORATE RESPONSIBILITY

The Families First Agenda insists that responsibility be exercised by <u>every</u> quarter of American society -- including government, individuals, <u>and</u> corporations.

Corporations need to show <u>responsibility</u> towards their employees, <u>responsibility</u> towards their communities, and <u>responsibility</u> towards their country. Simply put, Democrats are calling upon corporations to return to <u>earlier</u> standards of loyalty towards their employees, communities, and country.

Hence, the Families First Agenda includes proposals to: 1) require corporate responsibility in the protection of employees' pension funds; 2) require corporations to meet their environmental responsibilities; and 3) encourage corporations to show responsibility towards their country by repealing tax breaks for shipping jobs abroad.

1) REQUIRING CORPORATE RESPONSIBILITY IN THE PROTECTION OF EMPLOYEES' PENSIONS

First, corporations need to exercise loyalty towards their employees. One key way in which loyalty needs to be exercised towards their employees is by better protecting employees' pension funds.

Hence, this Democratic initiative contains several provisions to enhance pension protection, including:

- Requiring plan administrators and accountants to report promptly the serious misuse of pension funds, with fines of up to $100,000; and

- Requiring employers to invest employee pension contributions in no more than <u>15 days</u> -- down from the current 90-day limit. (This would stop the involuntary interest-free loans employers have been taking from employee pension funds).

The initiative <u>also</u> contains several provisions to better prevent pension raids, including:

- Ensuring continued opposition to efforts to reduce the prohibitive excise taxes that were put in place in 1990 on money withdrawn by companies from pension funds and used for other purposes;

- Requiring the Labor Department to report regularly to Congress on attempts by companies to use pension funds for other purposes; and

- Increasing the monetary and criminal penalties for violating the various restrictions on pension raiding.

2) REQUIRING CORPORATIONS TO MEET THEIR ENVIRONMENTAL RESPONSIBILITIES

Corporations also need to exercise loyalty towards their communities.. One key way in which loyalty needs to be exercised towards their communities is by meeting corporations' environmental responsibilities.

It is only through corporations meeting their environmental responsibilities that the ongoing national efforts to protect the health and safety of the nation's children, families, and communities can be successful.

In encouraging more environmental responsibility, Congressional Democrats are dedicated to achieving the following objectives:

- **Keep drinking water safe from contamination.** Protect our children and families by ensuring the water they drink is safe and free from dangerous chemicals, pesticides, and bacteria.

- **Protect the clean air laws that are cutting pollution.** Ensure the air our children and families breathe is free from dangerous pollutants.

- **Protect our rivers, lakes and streams from water pollution.** Reauthorize the Clean Water Act and strengthen the clean-up of America's waterways so that more of our waters can meet the goal of being safe for fishing and swimming.

- **Maintain our commitment to clean up toxic waste sites.** Speed the cleanup of toxic waste sites while ensuring that polluters pay to clean up the contamination they cause. Reform the Superfund toxic waste cleanup law to reduce litigation, fairly apportion cleanup costs, and encourage redevelopment of old industrial sites.

- **Recognize every American's right-to-know about exposure to toxic chemicals.** Improve America's right-to-know laws to give families the facts they need to protect themselves from unseen health risks, and spur industry efforts to exceed minimum standards for reducing toxic waste.

3) REPEALING TAX BREAK THAT ENCOURAGES CORPORATIONS TO MOVE JOBS OVERSEAS

Finally, U.S. corporations need to exercise loyalty towards their country. One key way in which loyalty needs to be exercised towards their country is by stopping the shipping of large numbers of good-paying jobs to plants overseas. The shipping of these good jobs overseas is serving to undermine the standard of living of tens of thousands of American working families.

Hence, this Democratic initiative contains a proposal to attempt to encourage corporations to show more responsibility towards their country by repealing a tax break for shipping jobs overseas.

Indeed, under current tax law, American corporations are actually rewarded for shutting down manufacturing plants in the United States -- eliminating good-paying jobs for thousands of hard-working Americans -- and shipping those jobs to overseas plants.

Under the law, U.S. companies are allowed to defer payment of taxes on profits earned overseas until they send those profits back to the United States in the form of dividends.

Hence, companies that export good American jobs get a tax subsidy not available to companies which continue to manufacture in the United States.

This Democratic proposal would repeal this tax deferral in cases where U.S. multinational corporations produce abroad in foreign tax havens and then ship those products back to the United States. (The proposal would not hinder U.S. mulitnationals that produce abroad from competing with foreign firms in foreign markets.)

Hence, under this Democratic proposal, companies would no longer be subsidized by the tax code for shipping jobs out of the United States.

July 17,1997

KEY FEATURES OF SELECTED CHILD CARE LEGISLATION

	Dodd (S.19)	Kerry (S.756)	DeLauro (H.R. 1373)	Kohl (S.82)	Pryce (H.R. 988)
Basic structure	Raises CCDBG funding to increase child care subsidies and provide grants to states to respond to child care supply shortages. Directs states and the Secretary of HHS to include discussions of access to child care by low-income working families in their annual reports on child care activities.	Provides grants to states to provide supportive services to children and their families; increases CCDBG funding. Also provides a loan forgiveness fund in early child development; full funding for WIC; increases Head Start funding through 2002; and amends the Family and Medical Leave Act of 1993 to allow parents to take up to 24 hours of leave during a 12 mo. period to participate in school activities.	Provides grants to states to expand the quality and availability of child care services for children under 3 and support services for their families. Amends the Family and Medical Leave Act of 1993 to cover employers with more than 20 employees and increases Head Start funding.	Provides a 50% tax credit for up to $150,000/ yr. to employers who construct or operate an on- or near-site child care facility, contract with child care centers or resource and referral agencies to provide services to employees.	Provides a 50% tax credit to employers for building or operating an on- or near-site child care facility for employers.
Competition among states to receive grant	No	No	Yes	Not applicable.	Not applicable.

	Dodd (S.19)	Kerry (S.756)	DeLauro (H.R. 1373)	Kohl (S.82)	Pryce (H.R. 988)
Funding amounts	Adds $1 billion/yr in child care subsidies, $500 million/yr to meet child care supply shortages, and $1.4 billion in child care assistance through FY 2002. **Total added through FY 2002: $8.9 billion**	Adds $11 billion to support state and local early childhood initiatives; $10.5 billion to expand CCDBG services, $500 million in loan forgiveness program, $7.5 billion, plus appropriate Consumer Price Index increases, for WIC; and approximately $2.4 billion for Head Start through FY 2002. ***Total added through FY 2002: $31.9 billion**	Adds $360 million/yr over 5 years for grants to states to expand child care services; increases Head Start funding by $600 million/yr from FY 1999 through 2002. ***Total added through FY 2002: $4.2 billion**	Not applicable.	Not applicable.
Child care activities specified	Expands child care subsidies and availability of services, including infant care, before- and after-school care, nontraditional work hour care, full-day pre-kindergarten and resource and referral.	Expands local supportive services for children age 6 and under, adds zero to six program to CCDBG to improve access and quality of infant and toddler care, increases child care subsidies for children under 6.	Improves quality and affordability of child care services. Improves accessibility of child care, resource and referral, and transportation services.	Encourages employers to operate on- or near-site child care centers, contract with child care centers or resource and referral agencies to provide services to employees.	Encourages employers to operate on- or near-site child care centers.

	Dodd (S.19)	Kerry (S.756)	DeLauro (H.R. 1373)	Kohl (S.82)	Pryce (H.R. 988)
Families served	Families leaving welfare for work, families at risk of becoming welfare dependent, certain low-income, working families.	Families leaving welfare for work and working poor families with children age 6 or under, and pregnant women.	Families with children under 3 years, employees of businesses with more than 20 employees.	Primarily employees of participating businesses. Businesses have the flexibility to include the children of non-employees in child care centers they build or operate.	Employees of participating businesses.
Broad accessability to low-income families	Yes	Yes	Yes	**No	**No
Quality improvements specified	No	Allows renovation of infant and toddler facilities, supports training and education for infant and toddler caregivers, and supports higher compensation for infant and toddler care.	Improves the quality of licensing standards (including health and safety, child-staff ratios, etc.), enforcement of licensing standards, staff training and resource and referral services. Also increases salaries for providers and directs the Secretary of HHS to develop a voluntary model training program for child care staff.	Qualified expenditures to employers include costs related to the training of child care staff, scholarship programs, and providing increased compensation to caregivers with advanced training.	No
School-age care provided	Yes	No	No	Yes	Yes
Family support services provided	No	Yes	Yes	No	No
State match required	No	10%-15%	30%	Not applicable.	Not applicable.

* The estimated total assumes Head Start is reauthorized at $4.3 billion for FY 1998.

** S.82 and H.R. 988 would provide limited accessibility to low-income families and families leaving welfare for work because it would only benefit employees that work for businesses profitable enough to increase the supply of child care. This would exclude a large proportion of families moving from welfare to work, who traditionally hold low-paying and unstable jobs. Nearly 60% of the women who leave welfare for work, return to welfare (Harris 1996; Pavetti 1993). This means that employer-provided child care services would have a limited impact on helping these families. However, this is not to imply that bills such as S. 82 and H.R. 988, that would serve primarily middle class families, are not needed.

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CHILD CARE LEGISLATION -- 105th CONGRESS

BILL	Basic Structure	Funding Amount	Focus of child care activities	Families Served	Quality Activities	Other Features
Rep. Solomon H.R. 315 *introduced 1/7/97*	Increases the amount of the DCTC for moderate income working families and limits eligibility for the credit to families with incomes up to $50,000.	Cost to be determined.	Not specified.	Families with tax liability who earn less than $50,000 and have child care related expenses.	None specified.	
Senator Kohl S. 82 *introduced* 1/21/97	Provides employers with a federal tax credit for up to $150,000 per year equal to 50 percent of the employer's child care expenditures.	Cost to be determined.	Encourages employers to operate on- or near-site child care centers, and contract with child care centers or resource and referral agencies to provide services to employees.	Primarily children of employees of participating businesses. Businesses have the flexibility of include the children of non-employees in child care centers they build or operate.	None specified.	
Rep. Maloney H.R. 1706 *introduced* 5/22/97	*Same as Kohl Bill.*	*Same as Kohl Bill.*	*Same as Kohl Bill.*	*Same as Kohl Bill.*	*Same as Kohl Bill.*	

BILL	Basic Structure	Funding Amount	Focus of child care activities	Families Served	Quality Activities	Other Features
Senator Dodd **S. 19** *introduced 1/21/97*	Raises CCDBG funding to increase child care subsidies and provide grants to states to respond to child care supply shortages.	Increases authorization level for discretionary CCDBG program from $1 billion to $2 billion a year to help more welfare families and low income working families pay for child care services. Authorizes an additional $1.4 billion a year to provide child care services for non-welfare low income working families. Authorizes additional funds to increase availability of specific child care services.	Requires states to use certain funds for child care activities in areas of the states that have child care supply shortages. Activities include: Infant-care, before- and after-school care, resource and referral programs, non-traditional work hours child care programs, and programs to extend the hours of prekindergarten.	Welfare and low-income working families -- families who have left welfare for work, families at risk of becoming welfare dependent, and low-income working families meeting specified criteria.	None specified.	
Rep. Woolsey **H.R. 899** *introduced 2/27/97*	*Similar to Dodd Bill.*	Authorizes an additional $1.4 billion a year to help non-welfare low income working families pay for child care services. Authorizes an additional $500 million for each of FYs 1997 through 2002 to increase availability of specifically targeted child care services. Does not increase authorization level for discretionary CCDBG programs, as in the Dodd Bill.	*Same as Dodd Bill.*	*Same as Dodd Bill.*	*Same as Dodd Bill.*	

BILL	Basic Structure	Funding Amount	Focus of child care activities	Families Served	Quality Activities	Other Features
Rep. Pryce **H.R. 988** *introduced 3/6/97*	Provides employers with a federal tax credit equal to 50 percent of the employer's expenditures for child care services provided on-site or adjacent to the business premises and operated for the employees children.	Cost to be determined.	Encourages employers to operate on- or near-site child care centers.	Exclusively children of employees of participating businesses.	None.	No time limit specified.
Senator Specter **S. 978** *introduced* 6/27/97	*Same as Pryce Bill.*	Cost to be determined.	Encourages employers to offer lower cost on- or near-site child care services for low-income employees.	Specifies that employees served by the child care center must be a fair cross section of the employer's employees.	None specified.	May be a group of employers. Requires employers to pass along savings to employees through reduced costs for child care services.
Senator Akaka **S. 490** *introduced 3/20/97*	Adds an annual inflation adjustment to the allowable expenses and credit amount for the DCTC.	Cost to be determined.	Not specified.	Families with tax liability and child care related expenses. No income limitations.	None specified.	

BILL	Basic Structure	Funding Amount	Focus of child care activities	Families Served	Quality Activities	Other Features
Senator Roberts S. 548 *introduced* 4/10/97	Provides funding to States to award grants to small businesses to provide child care, and increases the amount of the DCTC for specified low and middle income workers.	Authorizes $25 million for each of FYs 1998 through 2000. Cost for DCTC increases to be determined.	Grants can be used for start-up costs, training of providers, scholarships, and sick care.	Families with tax liability and child care related expenses. Makes credit not available to families filing a joint return who earn $90,000, unmarried individuals who earn $65,000, and married individuals filing a separate return who earn $45,000.	None specified.	Program terminates on September 30, 2001.
Rep. DeLauro H.R. 1373 *introduced* 4/17/97	Authorizes funds for a competitive grant program to improve quality and availability of child care and family support services, and to improve coordination of existing services and programs. Amends the Family and Medical Leave Act for employers that have more than 20 employees. Increases Head Start funding through 2002.	Authorizes $360 million a year for each of FYs 1998 through 2000 to states to expand child care services; and increases Head Start funding by $600 million per year for each of FYs 1999 through 2002.	Improves quality and availability of family support services for the parents of children under three and improves coordination of existing programs and services.	Families with children under 3 years of age; employees of businesses with more than 20 employees.	Improves the quality of licensing standards, enforcement of licensing standards, staff training and resource and referral services. Also increases salaries for providers and directs the Secretary of HHS to develop a voluntary model training program for child care staff.	Competition among states to receive grants. 30% state match required.

BILL	Basic Structure	Funding Amount	Focus of child care activities	Families Served	Quality Activities	Other Features
Senator Snowe **S. 654** *introduced* 4/25/97	Makes the Dependent Care Tax Credit (DCTC) refundable and increases the amount of the DCTC for moderate income working families.	Cost to be determined.	Employment-related child care expenses.	Low and moderate income working families with child or dependent care expenses.	None specified.	
Senator Kerry **S. 756** *introduced* 5/15/97	Provides grants to states to provide supportive services to children and their families; increases CCDBG funding. Also provides a loan forgiveness fund in early child development; full funding for WIC; increases Head Start funding through 2002; and amends the Family and Medical Leave Act of 1993 to allow parents to take up to 24 hours of leave during a 12 month period to participate in school activities.	Adds $11 billion to support states and local early childhood initiatives; $10.5 billion to expand CCDBG services, $500 million in loan forgiveness program; $7.5 billion, plus appropriate Consumer Price Index increases, for WIC; and approximately $2.4 billion for Head Start through FY 2002.	Expands local supportive services for children age 6 and under, adds zero to six program to CCDBG to improve access and quality of infant and toddler care, and increases child care subsidies for children under age 6.	Families leaving welfare for work and working poor families with children age 6 or under, and pregnant women.	Allows renovation of infant and toddler facilities, supports training and education for infant and toddler caregivers, and supports higher compensation for infant and toddler care.	

BILL	Basic Structure	Funding Amount	Focus of child care activities	Families Served	Quality Activities	Other Features
Senator Harkin S. 926 *introduced 6/17/97*	Increases the amount of the DCTC for moderate income working families and makes the DCTC refundable.	Cost to be determined.	Employment-related child care expenses.	Low and moderate income working families with child or dependent care expenses.	Not specified.	
Senator Jeffords S. 1037 *introduced 7/17/97*	Makes the DCTC refundable, allows for some increases to the DCTC, caps the income eligibility for the DCTC, and expands distribution of child care information.	Cost to be determined.	Makes the DCTC refundable, increases DCTC for child care provided in accredited facilities or by credentialed professionals, limits the DCTC to families with incomes up to $70,000, expands clearing-house and electronic networks for the distribution of child care information.	Low income working families with child or dependent care expenses.	Encourages the use of quality child care by linking increases in the DCTC to quality services.	
Rep. Gilman H.R. 2213 *introduced 7/22/97*	*Same as Jeffords Bill.*	*Same as Jeffords Bill.*	*Same as Jeffords Bill.*	*Same as Jeffords Bill.*	*Same as Jeffords Bill.*	
Senator DeWine S. 1029 *introduced 7/17/97*	Provides loan forgiveness for individuals who earn a degree in early childhood education and enter and remain employed in the early childhood profession, and to provide loan cancellation for certain child care providers.	Authorizes $10 million for FY 1998, and such sums as may be necessary for each of the hour succeeding fiscal years.	Child care services for children from birth to age 6.	Not applicable.	Would bring more highly trained individuals into the early child care profession and would keep more highly training providers in the early child care field for longer periods of time.	

Child Care

Member	Staffer	Phone	Fax	Comments
House Education and the Workforce				
Goodling Riggs	Denzel McGuire	225-6558	226-1010	
Clay	Gail Weiss	225-3725	226-4864	
Martinez	Marci Phillips	225-5464	225-5467	
Kildee	Callie Coffman	225-3611	225-6393	
Woolsey	Lynda Theil	225-5161	225-5163	
House Ways and Means				
Archer Shaw	Ron Haskins	225-1025	225-9480	
Levin	Eric Gould	225-4691	226-1033	
Rangel	Deborah Colton	225-4021	225-1284	
Stark	Natalie Bronosky	225-5065	226-3805	
Kennelly	Nick Gwyn	225-2265	225-1031	
Tanner	Chad Jenkins	225-4714	225-1765	
Camp	Behrends Foster	225-3561	225-9679	
House Appropriations-LHHS				
Obey	Mark Midousky	225-3481	225-9476	
Porter	Tony McCann	225-3508	225-3509	

DeLauro	Catriona MacDonald	225-3661	225-4890	
Hoyer	Lisa Levine	225-4131	225-4300	
Pelosi	Terri McCullough	225-4965	225-8259	
Lowey	Jenny Luray	225-6506	225-0546	
Leadership				
Gephardt	Andi King	226-0938	225-6760	
Gingrich	Lavin Gartland	225-4501	225-4656	
Women's Caucus				
Nancy Johnson	Kathy Havey	225-4476	225-4488	
Norton	Jon Bouker	225-8050	225-3002	
Kelly	Conwell Smith	225-5411	225-3289	
Maloney	Meg Tansey	225-3822	225-5746	
Senate Labor and Human Resources				
Jeffords	Kimberly Barnes-O'Connor	224-6770	228-1932	
Kennedy	Jeffrey Teitz	224-4781	224-3533	
Dodd	Jeanne Ireland	224-5630	224-7475	
Mikulski	Roberta Haeberle	224-5040	228-4513	
Coats	Stephanie Monroe	224-5800	228-4137	
DeWine	Karla Capenter	224-2315	224-6519	
Murray	Greg Williamson	224-2621	224-0232	
Wellstone	Linda Degutis	224-5641	224-8438	

Senate Finance Committee				
Roth	Dennis Smith	224-6953	228-0578	
Moynihan	Doug Steiger	224-6699	228-3904	
Rockefeller	Barbara Pryor	224-6742	224-7665	
Chafee	Laurie Rubiner	224-2921	228-2853	
Hatch	Chris Iverson/ Judy Hill	224-5251		
Breaux	Michelle Prejean	224-4623	228-2577	
Senate Appropriations				
Specter	Craig Higgins	224-7643		
Harkin	Marsha Simon Bev Shroeder	224-7288 224-3254	224-7914 228-2923	
Senate Leadership				
Daschle	Joan Huffer	224-5556	228-5645	
Lott	Renee Bennett	224-6253	224-2262	
Others				
Snowe	Cynthia Dailard	224-5344	224-1946	
Landrieu	Donna-Jo Dennison	224-0097	224-9735	
Stenholm	Ed Lorenzen	225-6605	225-2234	
Tauscher	Ken Kero	225-1880	225-5914	
Deborah Pryce	Lori Peets	225-2015	226-0309	
Waters	Catherine Atkin	225-2201	226-2190	
Becerra	Kim Richan	225-6235	225-2202	

John Kerry	David Kass	224-2960	224-8525	
Boxer	Kate O'Malley	224-3553	228-1338	
Kohl		224-5653	224-9787	
Allen	Stella Livanios	225-6116	225-5590	

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CHILD CARE LEGISLATION -- 105th CONGRESS

Child Care continues to be an issue of great concern to families and policy-makers and numerous child care bills have been introduced in the 105th Congress. Bills have been sponsored by Republicans and Democrats and take a variety of approaches to federal support for child care services.

I. Direct Funding

Several bills propose to increase federal funding to help low income families pay for child care services or to improve the quality and availability of such services. These bills generally build upon the consolidated child care program and enhanced funding enacted under the new welfare reform legislation.

Working Families Child Care Act of 1997 (S.19) - Senator Dodd (D-CT)
Increases the authorization level for the discretionary Child Care and Development Block Grant program from $1 billion to $2 billion a year in order to help more welfare families and low income working families pay for child care services. Authorizes an additional $1.4 billion a year to provide child care services for *non-welfare* low income working families. Also authorizes additional funds to increase the supply of child care services, including infant care, before- and after-school care programs, resource and referral programs, non-traditional work hours child care programs, and programs to extend the hours of prekindergarten.

Working Families Child Care Act of 1997 (H.R. 899) - Representative Woolsey (D-CA)
Authorizes an additional $1.4 billion a year to help *non-welfare* low income working families pay for child care services. Also authorizes funds to increase the availability of child care services in particularly short supply. (Similar to Dodd bill)

Increased Child Care Funding (S. 93) - Senator Kerry (D-MA)
Increases funding for mandatory spending under the Child Care and Development Block Grant by an additional $1 billion each year.

Child Care Expansion Act (S. 548) - Senator Roberts (R-KS)
Provides funding to States to award grants to small businesses to provide child care. The grants can be used for start-up costs, training of providers, scholarships and sick care.

Early Learning and Opportunity Act (H.R. 1373) - Representative DeLauro (D-CT)
Authorizes funds for a competitive grant program to improve the quality and availability of care for children under the age of three; to improve quality and availability of family support services for the parents of such children; and to improve coordination of existing programs and services.

II. Child and Dependent Care Tax Credit.

A number of proposals would expand the current Child and Dependent Care Tax Credit (DCTC) either by (1) making the credit refundable so that low income working families also would benefit from this largest single source of federal child care assistance; (2) increasing the amount of the credit available for moderate income working families; or (3) some combination of the above. Several of the proposals also would eliminate DCTC eligibility for upper income families. It is notable that most of the following DCTC proposals are sponsored by Republican members.

Refundable Tax Credit (S. 654) - Senator Snowe (R-ME)
Makes the Dependent Care Tax Credit refundable to ensure that assistance is made available for low income working families with child or dependent care expenses. It also allows credit for respite care services.

Working Families Child Care Tax Relief Act (S. 490) - Senator Akaka (D-HI)
Adds an inflation adjustment to the allowable expenses and the credit amount.

Child Care Tax Credit Reform Act of 1997 (H.R. 315) - Representative Solomon (R-NY)
Increases the amount of the DCTC for moderate income working families and limits eligibility for the credit to families with incomes up to $50,000.

Child Care Quality Improvement Proposal (to be introduced) - Senator Jeffords (R-VT)
Makes the Dependent Care Tax Credit refundable to ensure that assistance is made available for low income working families with child or dependent care expenses. Also encourages use of quality child care by increasing DCTC for child care provided in accredited facilities or by credentialed professionals. This will be comprehensive legislation that will include other types of child care assistance.

III. Employer Tax Credits

These proposals would provide tax incentives for businesses for certain child care expenses or activities. In general, the credits would reimburse employers for start-up, construction, and operating costs of such a facility.

Child Care Infrastructure Act of 1997 (S. 82) - Senator Kohl (D-WI)
Provides employers with a federal tax credit equal to 50 percent of the employer's child care expenditures. Child care expenditures could include expenses to acquire, construct, rehabilitate or expand a facility of the employer; for operating costs of the employer's child care facility; to pay a child care facility to provide child care services to employees; or to provide employees with a child care resource or referral service. The total employer credit could not exceed $150,000.

Child Care Availability Incentive Act (H.R. 988) - Representative Pryce (R-OH)
Provides employers with a federal tax credit equal to 50 percent of the employer's expenditures for child care services provided on-site or adjacent to the business premises and operated for the employees children. No limit to the credit is specified.

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POLICY MAKERS' CHECK LIST FOR ASSESSING THE ABILITY OF CHILD CARE LEGISLATION TO HELP FAMILIES RESPOND TO WELFARE REFORM

There are several child care bills being offered in Congress that have the potential to promote the healthy development of children and help parents meet the work requirements established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Consider the following points when determining the ability of child care legislation to meet the needs of families leaving welfare for work, families at risk of becoming welfare dependent, and low-income, working families.

INCREASE AVAILABILITY

- **Authorize at least $1.4 billion in additional child care funding**. The Congressional Budget Office estimates there is a $1.4 billion shortfall over a 6-year period in child care funding for families who meet the welfare reform law's work requirements. Therefore, *at minimum*, this additional amount is needed to meet the increased demand for child care generated by parents moving from welfare to work.

- **Provide before- and after-school care**. Children ages 6-12 need high quality child care for their healthy development, as do younger children. The issue of reducing juvenile crime cannot be fully addressed without the provision of before- and after-school care, which gives pre-teens the option of participating in constructive activities when they are not in school.

IMPROVE QUALITY

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) reduces the percentage of CCDBG (Child Care and Development Block Grant) funds for quality improvements from 25% to 4%. The law also requires all states to establish health and safety standards for prevention and control of infectious diseases, including immunizations, building and physical premises safety, and minimum health and safety training . However, the legislation "eliminates review of state licensing and regulatory requirements, notification of the [United States] Department of Health and Human Services when standards are reduced, and supplementation"(P.L. 104-193, PRWORA). The Administration for Children and Families (ACF) recently released proposed regulations for CCDBG, title VI of PRWORA. ACF proposes to strengthen health and safety in child care by requiring children receiving CCDBG services to be age-appropriately immunized. However, additional quality assurances are needed on the federal

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level to promote the healthy development of children.

- **Improve quality and enforcement of licensing standards**. Legislation should require states to specify requirements relating to licensing standards in areas such as child-to-staff ratios, group size, staff preparation and qualifications, ongoing staff training, health and safety, and linkages to parents and community services.

- **Provide training and education of caregivers**. Studies indicate that staff training and education are critical to the safety of children and to preparing them to enter school ready to learn.

- **Provide higher compensation for caregivers**. The child care field is among the lowest paid professions. Low salaries contribute to high turnover, which in turn, contributes to poor quality care. Consistency in relationships with caregivers is necessary for the healthy development of children. In addition, better salaries would attract more qualified people to the field.

- **Increase availability of resource and referral services**. Resource and referral agencies help educate parents on selecting high quality child care and can help train child care providers.

ENSURE PARENTAL CHOICE

- **Set reimbursement rates that take into account variations in the costs of providing child care in different settings, to children of different age groups and to children with special needs. Reimbursement rates should not be set at less than 75 percent of the market cost of care**. PRWORA eliminates the requirement that states set reimbursement rates that account for variations in the cost of care. However, the proposed ACF regulations for CCDBG would require states to illustrate how payment rates are adequately based on local market rate surveys.

- **Base co-payment rates on family income, not the cost of care. Set co-payment rates between 7 and 10 percent of family income**. ACF regulations propose that states must illustrate how family co-payments based on a sliding fee scale are affordable. ACF also proposes to prohibit establishment of payment rates based on a family's status; for example, having separate rates for families receiving TANF.

PROVIDE FAMILY SUPPORT SERVICES AND PARENTING TRAINING

- **Family support services**. Support services for families leaving welfare for work, families at risk of becoming welfare dependent, and low-income, working families are needed if welfare reform is to truly succeed. As families on welfare seek to meet the welfare reform law's work requirements and respond to the legislation's other provisions that they are not familiar with, they will face new strains. It is expected that there will be an increase in the numbers of children that are abused and neglected as a result of welfare reform, creating a greater strain on the already overburdened child welfare system. Therefore, the provision of family support services, such as parenting education, drug treatment, and home visits, is critical to prevent a new crisis in the child welfare system and to help families achieve independence.

- **Parenting training**. Parents are their children's first teachers. In order to make a positive impact in the lives of children, significant resources and interventions must be directed to their parents. Parenting classes would help parents access the array of resources and services necessary to meet the needs of their children. Parenting classes would also help prepare children for school and parents for work. The program would focus on getting parents involved in the healthy development of their children and include teaching developmentally appropriate activities that stimulate children's learning. This would help prepare children for school. The training would also prepare parents for work by focusing on stress management, household management and budgeting, and choosing quality child care.

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7-18-97

WORKING FAMILIES CHILD CARE ACT OF 1997, S. 19

The bill was introduced by Senators Dodd (D-CT), Daschle (D-SD), Kennedy (D-MA), Mikulski (D-MD), Rockefeller (D-WV), Murray (D-WA), Torricelli (D-NJ), and Boxer (D-CA).

Purpose:
To provide funds for child care for low-income working families, families moving from welfare to work and families at risk of becoming welfare dependent. Responds to the increased need for high quality, affordable, accessible child care under welfare reform.

Summary:

- Increases subsidies for working families from $1 billion per year to $2 billion per year.

- Provides $1.4 billion in child care funds to states. The Congressional Budget Office estimates there will be a $1.4 billion shortfall over 6 years in child care funds to meet the needs of families meeting the work requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Directs the Secretary of Health and Human Services to use $1.4 billion from Treasury funds not otherwise appropriated for grants to states to provide child care services for families who have left welfare for work, families at risk of becoming dependent on TANF, and low-income working families.

- Authorizes $500 million per year for grants to states to provide child care services in areas of the states that have child care shortages, as determined by the states and their localities. These child care activities must include the following programs: infant care, before- and after-school care, resource and referral, nontraditional work hours, extended-hour pre-kindergarten programs to provide full-day services, any other child care programs that the Secretary of Health and Human Services (HHS) determines are appropriate.
    - **Recommended Addition**:
      Include, that in determining what other activities are appropriate under this section, the Secretary must consult with child care providers, child advocates and parents. Suggested language for section 4 (a)(E)(ii)(VI) : "Any other child care programs that the Secretary, **in consultation with child care providers, child advocates, and parents**, determines are appropriate."

- Requires annual reports by states to include information on access to child care by low-income working families, including obstacles to such services. Requires annual reports by the Secretary of Health and Human Services to place particular emphasis on access of low-income working families to child care.

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- This bill would take effect as if included in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

- Rep. Lynn Woolsey (D-CA) introduced a similar house bill, the **Working Families Child Care Act of 1997**, H.R. 899.

Action Needed:

Write, call or meet with members of the Senate Committee on Labor and Human Resources and your respective senators and urge them to support the Working Families Child Care Act of 1997, S.19, because it would authorize additional funding for child care, which is necessary to ensure the healthy development of children and the success of welfare reform.

Senate Committee on Labor and Human Resources

Majority Members
James Jeffords (VT), Chair; Dan Coats (IN); Judd Gregg (NH); Bill Frist (TN); Mike DeWine (OH); Michael Enzi (WY); Tim Hutchinson (AR); Susan Collins (ME); John Warner (VA); Mitch McConnell (KY)

Minority Members
Edward Kennedy (MA), Ranking Member; Christopher Dodd (CT); Tom Harkin (IA); Barbara Mikulski (MD); Jeff Bingaman (NM); Paul David Wellstone (MN); Patty Murray (WA); Jack Reed (RI)

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INSTITUTE, INC.

7-18-97

WORKING FAMILIES CHILD CARE ACT OF 1997, S. 19

The bill was introduced by Senators Dodd (D-CT), Daschle (D-SD), Kennedy (D-MA), Mikulski (D-MD), Rockefeller (D-WV), Murray (D-WA), Torricelli (D-NJ), and Boxer (D-CA).

Purpose:
To provide funds for child care for low-income working families, families moving from welfare to work and families at risk of becoming welfare dependent. Responds to the increased need for high quality, affordable, accessible child care under welfare reform.

Summary:

- Increases subsidies for working families from $1 billion per year to $2 billion per year.

- Provides $1.4 billion in child care funds to states. The Congressional Budget Office estimates there will be a $1.4 billion shortfall over 6 years in child care funds to meet the needs of families meeting the work requirements of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Directs the Secretary of Health and Human Services to use $1.4 billion from Treasury funds not otherwise appropriated for grants to states to provide child care services for families who have left welfare for work, families at risk of becoming dependent on TANF, and low-income working families.

- Authorizes $500 million per year for grants to states to provide child care services in areas of the states that have child care shortages, as determined by the states and their localities. These child care activities must include the following programs: infant care, before- and after-school care, resource and referral, nontraditional work hours, extended-hour pre-kindergarten programs to provide full-day services, any other child care programs that the Secretary of Health and Human Services (HHS) determines are appropriate.
    - **Recommended Addition**:
      Include, that in determining what other activities are appropriate under this section, the Secretary must consult with child care providers, child advocates and parents. Suggested language for section 4 (a)(E)(ii)(VI) : "Any other child care programs that the Secretary, **in consultation with child care providers, child advocates, and parents**, determines are appropriate."

- Requires annual reports by states to include information on access to child care by low-income working families, including obstacles to such services. Requires annual reports by the Secretary of Health and Human Services to place particular emphasis on access of low-income working families to child care.

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- This bill would take effect as if included in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193).

- Rep. Lynn Woolsey (D-CA) introduced a similar house bill, the **Working Families Child Care Act of 1997**, H.R. 899.

Action Needed:

Write, call or meet with members of the Senate Committee on Labor and Human Resources and your respective senators and urge them to support the Working Families Child Care Act of 1997, S.19, because it would authorize additional funding for child care, which is necessary to ensure the healthy development of children and the success of welfare reform.

Senate Committee on Labor and Human Resources

Majority Members
James Jeffords (VT), Chair; Dan Coats (IN); Judd Gregg (NH); Bill Frist (TN); Mike DeWine (OH); Michael Enzi (WY); Tim Hutchinson (AR); Susan Collins (ME); John Warner (VA); Mitch McConnell (KY)

Minority Members
Edward Kennedy (MA), Ranking Member; Christopher Dodd (CT); Tom Harkin (IA); Barbara Mikulski (MD); Jeff Bingaman (NM); Paul David Wellstone (MN); Patty Murray (WA); Jack Reed (RI)

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EARLY LEARNING AND OPPORTUNITY ACT OF 1997, H.R. 1373

This bill was introduced by Representatives DeLauro (D-CT), Hoyer (D-MD), and McGovern (D-MA).

Purpose:
To establish a grant program to improve the quality and expand the availability of child care services for children under 3 and support services for their families; to amend the Family and Medical Leave Act of 1993 to cover employers that have more than 20 employees; to increase Head Start funding.

Summary:

Grants for Early Learning and Opportunity, and Family Support Services

- Authorizes $360 million per year over 5 years for grants to expand child care services.

- Provides competitive grants to states to increase the quality and availability of child care services for children under 3 years of age and support services for the families of such children.

- The Secretary of Health and Human Services will give priority for awarding grants to eligible states that have demonstrated in their grant application that they:
  - Will minimize administrative costs while carrying out the plans described in the application;
  - Have coordinated the activities described in the application with providers of child care services and family support services located in the state;
  - Have taken substantial legislative or executive action to reduce the duplication of, and barriers to providing such services; and
  - Will reimburse such providers during the fiscal year for which the grant is received at rates that reflect--
    - the higher costs incurred by such providers who are accredited; and
    - the higher costs incurred by such providers who care for very young children.

- To become eligible for a grant, a state must submit a grant that satisfies the following requirements:
  - The grant application was prepared in consultation with providers of child care services and family support services located in the state.

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- The grant application describes how the state will accomplish the following:
    - Improve the quality of child care services and licensing standards (with an emphasis on child-staff ratios, group size, staff qualifications, staff training, health and safety, and linkages to parents and community services);
    - Improve enforcement of licensing standards;
    - Improve salaries for child care providers;
    - Support training for child care providers, including care for children with special needs;
    - Create incentives for individuals to obtain, and child care centers to employ individuals who have obtained, more advanced training in providing child care services;
    - Improve accessibility to child care services for children under 3 years of age by increasing the quality and availability of resource and referral services and transportation services for families;
    - Make child care services for children under 3 more affordable;
    - Improve and expand support services to families of children under 3; and
    - Improve the coordination of existing federal and state programs that provide support services to families with children under 3.

The grant application must provide assurances that:

- Not more than 70 % of the cost of carrying out the program described in the grant application would be paid for with the grant and other available federal funds;
- Such grant will be used to supplement, not supplant, non-federal funds available to provide child care services and support services;
- The state will expend from state funds at least 30% of the total amount of the grant (provide a 30% state match); and
- The grant will be administered by a lead agency.

Model Training Program for Employees of Child Care Providers

- The Secretary of Health and Human Services would:
    - Develop a voluntary model training program for child care staff;
    - Make the model training code available to Head Start agencies and other child care providers; and
    - Provide technical assistance to implement the training program.

Amendment to Family and Medical Leave Act of 1993

- Amends the Family and Medical Leave Act of 1993 to cover employers that have more than 20, instead of 50, employees. This would extend parental leave privileges to more than 13 million additional working parents.

Amendments to the Head Start Act

- Increases funding for Head Start by $600 million per year from FY 1999-FY 2002.

- Increases the percentage of Head Start funds for training and technical assistance from 2% to 3%.
- Increases the percentage of Head Start funding for Early Head Start from 5% in FY 1998 to 9% in FY 2002.

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EARLY CHILDHOOD DEVELOPMENT ACT OF 1997, S. 756

This bill was introduced by Senators Kerry (D-MA), Rockefeller (D-WV), Murray (D-WA), Kennedy (D-MA), Hollings (D-SC), Wellstone (D-MN), Moseley-Braun (D-IL), and Harkin (D-IA).

Purpose:

To provide funds to empower local communities to provide successful early interventions for at-risk young children and their families; to increase child care subsidies; to provide a loan forgiveness fund in early child development; to provide full funding for WIC; to increase Head Start; and to amend the Family and Medical Leave Act of 1993 to allow parents to take up to 24 hours of leave during a 12 month period to participate in school activities.

Summary:

Title I- Assistance for Young Children

States can receive funds to provide supportive services to young children (birth through 6) and their parents. These funds are for working poor families who have incomes below 133 percent of the poverty line. The bill requires substantial community planning and participation. It also requires a strong commitment from the Governor. These funds are to "supplement and not supplant other Federal, State, and local public funds." States can apply for allotments determined by a formula based on the number of young children in poverty in the State. The bill will appropriate the following for Assistance for Young Children:

- $1 billion for FY 1998
- $1 billion for FY 1999
- $2 billion for FY 2000
- $3 billion for FY 2001
- $4 billion for FY 2002

The Federal share will cover between 85% and 90% of the cost of services to children and families. The Federal share will be based on the percentage of federal medical assistance the state receives. The State must match the remainder of costs in cash from state, local, or private sources.

States Interested in Applying for Funds

The Governor must establish or designate an entity to serve as a *State Early Learning Coordinating Board* to be eligible to apply for funds. This board is critical because it is responsible for making grants to local collaboratives. The new board or designated board should include the

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Governor and appointed members including:

- representatives of State agencies;
- representatives of businesses in the state;
- CEOs of political subdivisions in the State;
- parents of young children;
- officers of community organizations serving low-income individuals;
- representatives of State nonprofit organizations that represent the interests of young children in poverty; and
- representatives of organizations providing services to young children including child care Head Start, family support, home visits, or heath care.

Annually, the State board must submit an application for funds which includes information required by the Secretary including: 1. information about the State board; 2. a comprehensive State plan for carrying out young child assistance activities; 3. an assurance to provide information on the amount of State and local public funds expended to provide services to young children and assurance to report on the results of local grant making.

GRANTS TO LOCAL COLLABORATIVES

States must develop a competitive process for awarding grants to local collaboratives. The **Local Collaborative** should include: all local public agencies that have a primary role in providing services to young children in the community; local businesses; representatives of the local government; parents of young children; officers of community organizations serving low-income individuals; community-based organizations providing services to young children such as pre-kindergarten, Head Start, or family support; and nonprofit organizations serving the community. Local Collaboratives must demonstrate the capacity to provide young child assistance activities to young children and their parents in the community.

Young Child assistance activities may include:

- home visits for parents of young children;
- community based family resource center for parents of young children;
- drug treatment centers for parents of young children;

- collaborative efforts linking parenting education with high quality early childhood learning services; and

- health care services such as immunization, preventive health care screens, clinics in public housing, expanded health care in schools and child care centers, and mobile dental and vision clinics;

- activities to strengthen the quality of child care for young children and expand the supply of high quality care;

- services for young children with disabilities; and

- activities to assist schools in providing support to young children and parents to be carried out during extended hours when appropriate.

All local collaboratives must submit an application that includes a description of the local collaborative members and a comprehensive plan to carry out activities. The plan should describe the current young child assistance activities in the community and unmet needs. At least 3/4 of the funds must be used to provide activities to young children and parents who are in **families with incomes below 133 % of the poverty line**. The collaborative must describe how they will coordinate the activities and meet the reporting requirements of the State. The local collaborative must contribute a percentage of the match using cash through donation from private entities. The State board is responsible for monitoring the activities of the local collaborative.

- **Recommended Addition:**
  - This bill does not go far enough in requiring inclusion. There should be stronger language to ensure that the State Early Learning Coordinating Board as well as local collaboratives are representative of the various communities (urban/rural/suburban) as well as ethnic and racial groups. Involvement of all groups that have an interest in services to children is critical if the local grants are to truly meet community needs.

Title II- Child Care for Families

AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT (CCDBG) OF 1990

This bill calls for the establishment of a ZERO to SIX program. This funding would supplement current CCDBG funding. States would be provided with grants to develop child care assistance for children under 6 who have working parents (at least one parent working, in school, or training) and have a family income that is less than 85% of the State median income. States would be required to set-aside 10% of their funding under this grant for the creation of a program to establish new models of infant and toddler care including: models for the development of family child care networks; training child care providers for infant and toddler care; securing higher levels of compensation for infant and toddler care providers; and supporting renovation, and modernization of facilities for infant and toddlers care. States will be required to provide full assistance to these families with incomes less than 100 percent of the poverty line. The State would apply for funds as part of the State plan for CCDBG and would describe the activities planned and the level of assistance they will provide to families.

The Secretary will be responsible for establishing regulations to ensure that States are providing adequate assistance to parents at minimum market rates and encourage States to provide additional assistance on behalf of infants and toddlers.

The appropriation for this title will be:

- $500 million in FY 1998
- $1 billion in FY 1999
- $2 billion in FY 2000
- $3 billion in FY 2001
- $4 billion in FY 2002 and each fiscal year thereafter.

- **Recommended Addition:**
  - The Early Childhood Development Act emphasizes care for children under six. However, it is silent on care for school-age children, children ages 6-12. These children need high quality, affordable child care settings also. This bill will not meet its goals of prevention of adolescent crime and violence if families with school-aged children cannot locate reliable, affordable care for their "young children". This bill should be expanded, the language and funding levels, to include subsidies and services for school age children also.

Title III-Loan Repayment for Child Care Workers

This title provides a loan forgiveness fund for individuals who earn an associate, bachelor, or master's degree in an early childhood development. These individuals must spend at least two years working in programs that primarily serve low-income infants and toddlers. This title would be funded at $100 million for FY 1998 and each succeeding fiscal year. This program amends the Higher Education Act.

Title IV- Full Funding for the Women, Infants, and Children Program (WIC)

This title amends the Child Nutrition Act of 1966. It provides full funding for the WIC program. For FY 1997 current funding will be increased by $1.5 billion. In subsequent years it will be $1.5 billion plus appropriate Consumer Price Index increases.

Title V- Amendments to the Head Start Act

This title would amend the Head Start Act by increasing the funding and extending the appropriations until FY 2002. Currently the Head Start Act is due to be reauthorized in FY 1998. This bill would authorize funding at $4.9 billion in FY 1999, $5.5 billion in FY 2000 and $6.1 billion for FY 2001, and $6.7 billion for FY 2002. This bill also increases the funding for Early Head Start which provides services to pregnant women, infants and toddlers.

Title VI- School Involvement Leave

This title amends the Family and Medical Leave Act of 1993 to allow parents to take up to 24 hours of leave during a 12 month period to participate in school activities. This may include parent-teacher conferences, school interviews, or family literacy programs. Schools are defined as elementary or secondary schools, Head Start programs or child care facilities meeting state or local licensing or standards.