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Clinton's child care boost not a big priority on Hill

By Cheryl Wetzstein
THE WASHINGTON TIMES

New funding for child care, a "steadfast" priority issue of the Clinton administration, remains bottled up in Congress, a House aide told state lawmakers last week.

The issue will be discussed Wednesday at a Senate Finance subcommittee hearing led by Sen. John H. Chafee, Rhode Island Republican.

Mr. Chafee is one of several members of Congress to introduce bills to boost child care funding and make other changes. However, none of the bills is moving with any speed, despite high-profile attention from the White House and President Clinton's request for nearly $22 billion in new funding.

A primary reason for congressional delay is that many GOP leaders believe states have ample funds to run their child care programs, a GOP staff member from the House Ways and Means Committee told state legislators at a meeting held by the National Conference of State Legislatures.

The GOP leaders' attitude is "We have done what we're going to do with child care," the staffer said.

She explained that the 1996 welfare law added $4 billion in new funds to the federal government's primary child care program, boosting its spending to $11 billion by 2002.

In addition, states, which have smaller welfare caseloads, can transfer 30 percent of their welfare funds to child care if they need to, she said.

Regarding other child care issues, such as setting standards for quality care or rates for subsidies, these are state issues, not federal ones, the staff member said.

As a result, GOP leaders "feel we've covered the bases in child care legislation," she said. "Now we want to wait and see ... and hear from the states."

Senate staffers representing GOP and Democratic lawmakers and a Clinton administration official offered alternate views.

"There is a tremendous need for child care," said Joan Lombardi, a top official with the Department of Health and Human Services.

States have waiting lists of parents who need child care, she said, citing care at "odd hours," on weekends, in rural locations and for infants as the most urgent needs.

Ms. Lombardi also disputed the idea that states have ample child care funds, noting that states are using their child care allocations on schedule.

Senate staff members said that an excellent bill could be forthcoming and urged state lawmakers to document their child care needs.

The Washington Times

SUNDAY, APRIL 19, 1998

4TH STORY of Level 1 printed in FULL format.

The Washington Post

May 10, 1998, Sunday, Final Edition

SECTION: A SECTION; Pg. A06

LENGTH: 645 words

HEADLINE: Clinton Pushes Child Care Bill; GOP Criticizes Package as Ignoring Stay-at-Home Mothers

BYLINE: Peter Baker, Washington Post Staff Writer

DATELINE: WILLIAMSBURG, May 9

BODY:

President Clinton, trying to rescue one of the signature initiatives of his second term, needled Congress today to pass his $ 22 billion child care proposal, which has stalled under Republican criticism that it slights mothers who do not work outside the home.

Using the Mother's Day holiday as an opportunity to pitch his plan, Clinton said government has an obligation to help parents trying to juggle work and family and he criticized legislation that he said would hurt women trying to collect support from absentee fathers.

"To make that tribute to motherhood," the president said in his weekly radio address, "we must all take responsibility for the care of our children. For many mothers who work, as my mother did, peace of mind requires affordable, quality child care."

Clinton has made child care a top priority this year and may try to turn it into a central issue in this fall's midterm congressional campaigns if, as now appears likely, Republicans refuse to pass it. The five-year Clinton plan would increase child care subsidies and tax credits for working families, expand Head Start and other early childhood programs and make it easier to conduct background checks on child care providers.

In his radio talk, Clinton offered rhetorical nods to GOP criticism that his proposal leaves out mothers who choose to stay at home with their children.

"As Mother's Day reminds us, governments don't raise children. Parents do," he said. "There is no substitute for a mother's love or a parent's responsibility. We, too, in the national and state governments, however, have a responsibility."

Tied to the address, the administration released two new reports offering parents guidelines on finding quality child care and screening providers. Clinton also slammed a provision in pending bankruptcy reform legislation that he said would require a mother to "compete with powerful banks and credit card companies" if a father declares personal bankruptcy.

Sen. John H. Chafee (R-R.I.), whose child care bill incorporates some elements of Clinton's plan while offering a tax credit to stay-at-home parents, said the White House has not devoted enough energy to the issue.

"The momentum that we were building toward consensus on a child care bill earlier this year has sputtered out," Chafee said. "It's going to take a stronger and much more active push from the White House to get the proverbial ball rolling again on child-care legislation."

Child care was one of several legislative priorities Clinton raised today during a closed-door meeting with Senate Democrats here in Williamsburg, according to aides, along with tobacco control, education and his proposed health care "bill of rights."

Clinton spent more than an hour at the annual retreat for his party's senators that "primarily centered on the unified [Democratic] message . . . and also his reiterating to them his commitment to work with them not only on legislation in the next six months but also to help Democrats in November," said presidential counselor Douglas B. Sosnik.

After a round of golf, Clinton flew to Boston tonight and attended a $ 700,000 fund-raiser for the Democratic National Committee.

Republicans, during their weekly radio address today, pressed the case for legislation to impose limited sanctions on countries that persecute religious minorities, a bill opposed by Clinton as tying his hands in foreign policy. Rep. Frank R. Wolf (R-Va.), a champion of the bill, set for a House vote in coming days, said the United States cannot ignore the systematic abuses in places such as China, Tibet and Sudan.

"This nation was founded by men and women who wanted nothing more than the freedom to practice their faith without government oppression," Wolf said. "If we don't stand up for the religious rights of people around the world, who will?"

LANGUAGE: ENGLISH

LOAD-DATE: May 10, 1998

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The Philadelphia Inquirer

Sunday, May 31, 1998

EDITORIALS

Where do we stand?

The talk about helping children is everywhere; the money to implement the ideas is harder to find.

These days, everybody loves to talk about taking a stand for children, including members of Congress, the President, governors and state lawmakers.

It's harder to find politicians actually willing to make a stand for improving the lives of children, particularly those of the less affluent.

There have been White House conferences devoted to the health and care of children. In January, the President talked up the idea of investing $22 billion in child care and early childhood education over the next five years.

He's needled Congress to do something, held some Rose Garden events, talked to businesses, bragged about his commitment and devoted a few minutes to kids on the radio this week. Yet somehow he's never seen to it that his proposal took the form of a real bill in Congress.

Marian Wright Edelman, who heads the Children's Defense Fund (CDF), a nonprofit education and policy group, notes there's no shortage of child-care bills floating around Congress. Around 50, in fact.

Many have good intentions; some make for good speeches and posturing, and a couple might work if only Congress and the President would stand behind them.

But getting elected officials in Washington and the 50 state capitals to concentrate on the children who need the help most, the 14.5 million children who live in poverty, and the many more who live close to the poverty line, remains a challenge.

In fairness, last year Congress did put up $24 billion in new revenues over five years to expand health insurance that should cover at least half the 10 million kids without it, but getting states such as Pennsylvania to leverage that money for maximum benefit has been slow going.

So has the push to get similar-size commitments made to child care and early-childhood education.

Tomorrow, June 1, is a good day to ponder where we stand.

Tomorrow is Stand for Children Day, organized by CDF. At the first one, in 1996, children, parents and other adults stood about 300,000 strong on behalf of the nation's children near the Lincoln Memorial in Washington. Now there are 130 Stand for Children chapters, which are nonprofit affiliates of CDF. They are helping to organize 1,000 events across the country.

In Philadelphia, contributors are being asked by Philadelphia Citizens for Children and Youth to add to the 4,500 children's books already donated to child-care centers around the region. At the Statehouse in Trenton at noon, thousands are urged to show up in support of child-care and protection programs. About 15,000 people are expected to rally in New York's Central Park, where speakers will make the case for better child care for working parents and their children.

It is a vital issue in 1998.

Olivia Golden, assistant secretary for the Administration of Children and Families in the U.S. Department of Health and Human Services, says current federal child-care subsidies reach only 1 million of the 10 million children who need help. She noted that millions of parents on modest incomes are struggling with inadequate and sometimes unsafe care. And even mediocre care can cost so much it forces parents to skimp on essentials such as heat and food.

Ms. Golden touted the President's child-care program, which would earmark $7.5 billion over five years for direct subsidies through the child-care and development block grant. In January, the President talked of getting the money from a tobacco settlement fund.

So why has Mr. Clinton been resoundingly silent on a tobacco-bill amendment that would make sure that, over the next five years, $6 billion out of $62 billion in new revenue goes to child care?

Secretary of Health and Human Services Donna Shalala said the President doesn't want anything to upset the support and the focus of the tobacco settlement legislation, sponsored by Sen. John McCain (R., Ariz.), that is aimed at imposing cigarette taxes to discourage teen smoking.

But the child-care amendment sponsored by U.S. Sens. John Kerry (D., Mass.) and Kit Bond (R., Mo.) — which has growing support among moderate Republicans such as Pennsylvania's Arlen Specter and Sen. McCain — nearly has enough votes to pass.

And yet the nation's best-known child-care advocate hasn't seen this as the right place to stand for children.

Child-Care Dilemma

THE MOST ambitious initiative in the budget President Clinton sent to Congress in February disappeared from legislative view so quickly that most people don't even remember that it was proposed. The president requested a major increase in federal child care subsidies, some $20 billion worth over five years. It's a good idea, but the level of interest in Congress was such that even opponents scarcely bothered to react, and the president himself pretty quickly abandoned the idea, save as a backdrop for occasional political events. In the end, instead of an expansion of existing programs, the administration countenanced a sizable cut in a source of child care money to finance other undertakings.

The question is whether the president will renew the February proposal in the next Congress or move on. He said in February he was "determined" to expand existing aid. But other issues are competing for his attention—Social Security reform, to cite one modest example—and next year's budget may be even less hospitable to a major spending increase than this one was. The Republicans who were the main source of this year's opposition could present a problem as well, in that they may be prepared to do more next time than just say no. In both houses they have shown interest in taking the child-care programs in directions the administration does not want to go. The president's commendable determination, if it still exists, could be put to an interesting test.

This year's proposal had two main parts—an increase in the child-care tax credit for the middle class, and a comparable increase in a program of child-care grants to the states that mainly benefit the poor. The proposal met with little interest. A small group of Senate Republicans tried to fashion an alternative, but most Republicans were put off by the spending increase, which they denounced as a return to tax-and-spend. Democrats, while not opposed, were not all that enthusiastic. The president likewise backed away after the defeat of the tobacco tax increase on which he had counted to finance the program. By the budget battle at the end of the session, he was pushing other priorities, notably education spending.

The budget next year will be even tighter, particularly if Mr. Clinton supports the increase in the defense budget he has suggested he will. The president again could seek an increase in the tobacco tax, but that too has become a more complicated proposition. If the federal tobacco tax goes up, and the states receive some of the money, the payments the states receive from the tobacco companies under their recently settled lawsuit will go down by the same amount; so reads an obscure provision of the settlement that the industry insisted was necessary to keep the states from double-dipping.

As for the Republicans, the alternative developed by the small group in the Senate this year would have guaranteed the increased aid the president proposed for the middle class while leaving the poor to fight for theirs a year at a time within the appropriations process—and even the increase for the middle class would have been attenuated. Lest they be accused of favoring working mothers over those who stay at home, the group would have given the tax credit to both. What began as a child care proposal was converted for ideological reasons into a generalized tax cut. In the House, meanwhile, rather than increase child-care funds, Republicans are considering giving states greater freedom to use existing welfare and social service funds for child care—or not. It would be up to them. Those are among the deflections the president will have to deal with if he renews his proposal. Last year may have been simple by comparison.

The Washington Post

Monday, November 30, 1998

Carrots and Sticks

THERE IS TOUGH competition for the title, but perhaps no authoritarian regime in the world today is more brutal and benighted than the military dictatorship of Burma. That Southeast Asian nation has been condemned to live in poverty and fear by the thuggish, drug-tainted, corrupt generals who wield power. The United Nations General Assembly recently adopted a resolution that gives some sense of the scope of human rights abuse in Burma—including "extrajudicial and arbitrary executions, rape, torture, inhuman treatment, mass arrests, forced labor, forced relocation and denial of freedom of expression, assembly, association and movement."

Burma's plight is all the more tragic because, unlike many nations that have lived long under dictatorship, it has a ready alternative. Aung San Suu Kyi, daughter of Burma's hero of post-colonial independence and herself a Nobel Peace laureate, heads a political party that overwhelmingly won an election in 1990. Reflecting just how out of touch they are with those they rule, the generals allowed the vote to take place thinking that they could maintain control. When Burma's voters had other ideas, the generals refused to honor the results. Aung San Suu Kyi has been under house arrest pretty much ever since.

This fall the dictatorship has turned the screws even tighter. Since September, according to Ambassador Betty King, the U.S. representative to the U.N. Economic and Social Council, nearly 1,000 opposition figures from Aung San Suu Kyi's National League for Democracy and other parties have been detained. The junta claimed that these people were not being arrested but rather invited in to chat. But hundreds have been forced to resign from opposition parties as a condition for release. Hundreds more, including 81-year-old Saw Mra Aung, remain in jail. Others, such as democracy leader U Aung Min, have died in custody.

Now the United Nations and World Bank have floated the possibility of inducing the dictators to behave better by offering them "carrots" such as $1 billion or more in loans if they enter a dialogue with Aung San Suu Kyi. Shunned until now by private investors and most aid donors, the junta could use the cash (much of which would come, through the World Bank, from the U.S. government). The idea, according to an account Thursday in the International Herald Tribune, is to call for "step-by-step compromises from both the government and the opposition."

That description tells you the pitfalls of the plan. What "compromises" should be induced from an opposition that is the legitimate government but has been severely repressed for most of a decade? How freely can a leader negotiate when she is forcibly isolated from family and advisers, threatened with exile, vilified in the official press and made to feel responsible for hundreds of supporters at risk in prison?

Burma is the world's chief source of heroin. Its officials tolerate and profit from drug trafficking. A top State Department official recently said there is no point in spending anti-drug money in Burma. "We have not found them to be reliable partners," Jonathan Winer said.

The same would be true of economic aid on a larger scale. Under a legitimate and democratic government, Burma wouldn't need much World Bank help; the country is blessed with abundant natural resources and a literate, hard-working population of 46 million. Under the current rulers, any loans will further enrich the corrupt few. Long at the trough, they don't need any carrots from U.S. taxpayers.

Where to Store the E-Mail

WHEN E-MAIL first came along, even those too skeptical to fall for promises about the "paperless office" thought it would make record keeping easier and more compact. The National Archives, having wrestled for years with archiving government e-mail and having been sued several times, knows better. Electronic records, says a September letter from Archivist John W. Carlin, "pose the biggest challenge ever to record keeping in the federal government and elsewhere."

The challenges are technical as well as managerial and political. More and more government departments use e-mail and electronically stored documents in their daily work, but they are on different systems. Periodic upgrades make matters worse, because documents created or stored on one system are often impossible to read or search on another. The chaos is compounded when these records are transferred, as required by law, to the Archives, which must keep "record copies" of all documents deemed significant—under laws written when documents were created and filed on paper. The archivist's understandable first stab at the problem was a ruling that executive branch e-mails could be deleted if paper printouts had been made. It was properly rebuffed by the courts because so much information about an e-mail is lost when it is printed out, including when it was written and sent and who read it.

The Archives' recent announcement that it had endorsed a standard for electronic records management arrived at by the Defense Department is, therefore, a sign of modest progress. It's an outgrowth of an Archives decision to consult with departments on the problems raised by their systems and the kinds of records they generate. But the strategy also involves encouraging other departments to adopt standards that have been deemed workable, the better to simplify the Archives' task of developing some form in which *all* government records may someday be stored and searched.

How the government ends up storing its records for posterity also will help shape the approach of libraries and academic institutions. The stakes in this project are as enormous as its daunting complexity.

The Washington Post

Monday, November 30, 1998

On Sunday, however, the projected shortfall number was more than quadrupled. The projected deficit could be lower tomorrow, when updated numbers are produced for the council's education committee. What is known, however, is that millions of dollars of unbud-

And whose word were those officials accepting, he was asked? "That's a good question," said Mr. MacLaury. But it is a terrible answer from an official who replaced an elected school board that also had failed to oversee a dysfunctional school administration.

The Senate on the Budget

THE BUDGET resolution the Senate adopted last week resists the temptation to spend money Congress doesn't have. That alone makes it an unusual and solid piece of work. It doesn't spend the widely anticipated budget surplus that doesn't yet exist. Rather, the Republicans under Budget Committee Chairman Pete Domenici yielded to the president's injunction that the surplus, if one materializes, be used to strengthen the government's future ability to finance Social Security benefits by paying down the debt.

Having yielded to the president on the surplus, Mr. Domenici then went him one better and insisted that any cigarette tax increase be used to reduce the debt as well, as a way of banking it against the future cost of Medicare. Some of this was tit for tat, since the president, while walling off the surplus, had wanted to use the cigarette proceeds to help finance his child-care program and other domestic initiatives. But the cigarette tax hasn't been enacted either, and it's bad policy to spend it in advance; the politicians mortgage themselves to the tobacco companies if they do so.

With the surplus and the cigarette tax both declared off limits, the Budget Committee had trouble coming up with much free money, and just about every scrap it found was set aside for what would otherwise be the budget-busting highway bill that Congress is passing. That left both parties unhappy, even as they voted with enthusiasm for the roads. Republicans want to give a tax cut, and conservative Republican senators threatened to withhold their votes for the budget resolution until Majority Leader Trent Lott agreed to try to make more room for a tax cut later in the budget process. But the rules remain such that whatever cut they grant will have to be financed, most likely by an offsetting increase. What will it be?

Likewise, the Democrats, led by the president, complain that his initiatives were shut out, as they were. But they too mostly voted for the highway bill, and the president didn't oppose it either. Even now he's reluctant to do so; he'd just like a little shaved off the top. A tax cut makes no sense just now. If anything, as the likely future costs of Social Security and Medicare and such things as the highway bill attest, the government already lacks the funds to meet its obligations—to do what the country legitimately expects of it without lapsing once again into borrow-and-spend. As to whether highways or increased child-care subsidies should come first, that's a fair enough debate to have in an election year. They just need to pay for what they choose.

Washington Post
4/7/98

AN INITIATIVE'S FADING FORTUNES

BY MARK MURRAY

MICHAEL KHARFEN: The push for Clinton's child care plan is "definitely not over."

By any standard, Jan. 7 was a triumphant day for President Clinton. Before a standing-room-only crowd at the White House, Clinton unveiled his $21.7 billion initiative to improve the quality, affordability and accessibility of child care. His package included an increase in the Child Care Development Block Grant, an expansion of tax deductions for low- and middle-income families, tax breaks for businesses with day care facilities and scholarship funds for child care providers.

This proposal, the President proclaimed, was "the single largest national commitment to child care in the history of the United States." Throughout the ceremony, the throng of child care advocates and Administration officials in attendance cheered and roared. Nothing, it seemed, was going to obstruct the President's plans for child care.

What a difference three months make. An unresponsive Congress, questions about tobacco money, and the dark, hovering cloud of scandal have all imperiled Clinton's child care package. In fact, at a March 31 press conference outside the Capitol on child care, it was obvious that the once-jubilant mood among child care advocates and other supporters of the President had transformed into one of urgency and desperation. "There must be child care legislation this session," said Del. Eleanor Holmes Norton, D-D.C. Rep. Lois Capps, D-Calif., repeated the message: "We can't fail our working parents. . . . The time is now."

Child care isn't the only White House domestic initiative in jeopardy, however. In his fiscal 1999 budget, Clinton proposed $22 billion in interest-free bonding authority to build and improve school facilities, $1.1 billion to reduce classroom size and an additional $70 million to fund work-study scholarships for college students. The recently passed Senate budget resolution, however, omitted all of this increased education money.

Also in trouble is Clinton's plan to allow early retirees—those between the ages of 55 and 64—to buy into Medicare. Sen. John B. Breaux, D-La., Clinton's choice to head a bipartisan commission on Medicare's future, has said it would be counterproductive for Congress to consider Clinton's proposal at the same time the commission was trying to agree on ways to keep Medicare solvent.

When President Clinton announced his child care proposal, its adoption appeared likely, because he tailored it with the Republican-controlled Congress in mind. There were block grants, tax credits for families, tax breaks for businesses and no national standards for child care regulation—things all dear to the hearts of Republicans. *(See NJ, 1/17/98, p. 126.)* How could Republicans, the thinking went, ever reject an initiative that looked like one of their own?

But, so far, Republican members have hardly shown enthusiasm for the White House's child care plan. For one thing, they contend that the initiative largely favors working parents who send their kids to day care facilities, while it ignores a favorite Republican constituency: stay-at-home moms. *(See NJ, 1/24/98, p. 167.)* Such an omission was a "miscalculation" by the Clinton Administration, said Michael Franc, the vice president for government relations at the conservative Heritage Foundation.

Indeed, ever since Republicans made it an issue, supporting both working and stay-at-home parents seems to be a bipartisan goal. A resolution by Rep. William F. Goodling, R-Pa., which stressed that any child care initiative must consider e parents who remain at home to care r their children, passed the House, 409- on Feb. 11.

In addition, Republicans such as Sen. arry E. Craig, R-Idaho, say that the pack- ge gives government too big a role in ild care. The country is saying, Craig gues, that "we don't need the federal overnment being nannies." The Admin- ration insists, however, that the Presi- ent's proposal—because it expands exist- g tax credits and block grants—is far om the creation of a federal program. Ve're not talking about another huge deral bureaucracy," said Michael Khar- n, spokesman at the Health and Human ervices Department's Administration for hildren and Families.

The Senate budget resolution that assed along partisan lines, in fact, re- ects the Republicans' discontent with e child care proposal. Unlike the White ouse initiative, which sets aside $7.5 bil- on over the next five years in mandatory nds to increase the block grant, the enate budget blueprint has just $5 bil- on in discretionary spending. And efore that amount can even be used, the enate Budget Committee's Democratic aff points out, the Appropriations Com- ittee will have to make offsetting reduc- ons in other discretionary programs, ich as those that support education and e environment.

The Senate budget resolution includes o to $9 billion in tax breaks for all fami- es to use for child care expenses. But ecause this tax cut is nonrefundable, gue Democrats, it would hardly help the w- and middle-income families Clinton's roposal intends to benefit.

Helping to sidetrack the child care ini- ative has been tobacco. The White ouse suggested funding one-third of its 21.7 billion package from last year's 368.5 billion proposed tobacco settle- ent, mainly as a way of increasing spend- g on domestic priorities without endan- ering last year's balanced budget greement. But Congress is moving in nother direction. The Senate budget res- lution earmarked any tobacco settlement roceeds that go to the federal govern- ent for Medicare, and House Budget ommittee chairman John R. Kasich, R- hio, says he wants to set aside those pro- eeds for tax cuts. There's even the hance that there won't be any tobacco oney—at least not anytime soon. lthough Sen. John McCain, R-Ariz., has rawn up a $506 billion tobacco bill, Sen- te Majority Leader Trent Lott, R-Miss., as indicated that it may not come to a ote this year.

And, of course, the world's introduc- ion to Monica Lewinsky hasn't helped the child care agenda, either. It has been difficult for the Administration to rally the public behind the child care proposal and launch a counteroffensive against its crit- ics—especially with Clinton ducking the media and with key aides devoting their time to scandal control. For Sen. Craig, the investigations into the President's sex life, alleged obstruction of justice and alleged perjury have rendered Clinton "but an echo on this issue right now."

But perhaps more important than any- thing else, passage of the President's child care package was always unrealistic, say some child care advocates and policy experts. According to Ellen Galinsky, pres- ident of the Families and Work Institute, the child care issue has never been popu- lar with Congress. "There was a sense of surprise in January," she said, but "now it is back to debate as usual."

And Stephen Hess, a senior fellow at the Brookings Institution, explains that the prospects for Clinton's domestic agen- da seemed promising at first only because Congress wasn't in session and wasn't able to immediately pounce on his policies. "What happened was a very shrewd build- up to the State of the Union. [Clinton] was having a proposal a day with a lot of hoopla." In reality, he said, "there was more hype than it was really worth."

Despite the gloomy outlook, child care advocates are blowing the battle horn to do their part to get meaningful child care funding passed. "Women's voices have to be heard, and those voices have to be angry and compelling and demanding," said Faith Wohl, the president of Child Care Action Campaign. In addition, the bipartisan Congressional Caucus for Women's Issues sent a March 31 letter to Speaker Newt Gingrich, R-Ga., urging pas- sage of child care legislation.

"We must listen to the concerns of America's working families and help them meet their child care needs," the letter stated, affirming commitments to better quality, increased financial assistance for low-income families, and lower taxes for both working families and stay-at-home spouses.

HELP FROM HILLARY: Despite the First Lady's public support, the child care initiative has faltered.

The Administration isn't giving up, either. Ever since Judge Susan Webber Wright dismissed Paula Jones's lawsuit against Clinton on April 1, a reinvigorat- ed President has been battling to keep child care and the rest of his domestic agenda alive. For example, he recently attacked the Senate budget resolution, arguing it "will squeeze out critical invest- ments in education and children." He also spent this week on the bully pulpit reiterating his commitments to increased education funding, a tobacco settlement and preserving Social Security.

"It's definitely not over," said Kharfen. "The past few years have certainly shown that you can never completely predict what is going to happen in the budget process."

But with just a few dozen more sched- uled working days in Congress and with members eyeing the November elections, time seems to be running out on Clin- ton's child care proposal. "Obviously, he's going to start to see if he can regain the momentum," said Brookings's Hess. "The question is time: Can he do it at this stage of the congressional cycle?" ■

OTHER OPINION

More Mary Poppins-Type Nannies Are N

MICHAEL D. KAPLAN

In "Mary Poppins," Mr. Banks, upset over his children's naughty behavior, advertises for a "nanny who can give commands." His requirements for a "firm general" differ from his children's yearnings for a sensitive, loving and playful person to care for them while their parents go to work. The Banks hire a high-quality nanny, and the results speak for themselves. The Banks children thrive as they are changed by the experience.

Newly released research from the Families and Work Institute provides scientific evidence to support this "Mary Poppins" factor. That is, children who are cared for by well-trained, sensitive caregivers, with favorable adult-child ratios, are in better shape than their peers. They score higher on intelligence tests, are more attached to caregivers and have fewer emotional and behavioral problems. The institute's landmark project, the Florida Child Care Quality Improvement Study, continues to define what is needed for children in day-care settings.

In his recently submitted budget, President Clinton called for a bold new initiative in the financing of day care. This call comes at a crucial moment. The day-care movement has grown exponentially in the last decade. Two-thirds of children under 5 are in some form of child care. Nearly one-half of all children under 1 are in child care on a regular basis. And the number of children in out-of-home care is rising.

The future leaders of our country will most likely spend a majority of their early years in nonparental care. How is the care that these children receive?

Research on day care in this country has produced a shocking report card. The quality of care in the majority of centers and family day care is poor to mediocre. Our youngest children are more likely than not to receive substandard care. Infant/toddler care often does not meet minimal standards for health, safety, nurturance and stimulation. Children, left in the care of others, are at risk. These findings hold for private, nonprofit and public-sector care. Despite these findings, parents overrate the quality of care that their children are receiving.

On the other hand, centers and family day-care programs rated high in quality lead to positive and lasting changes in social, emotional and cognitive development. Quality obviously costs more, but not a lot more. In the Florida study, strengthened regulations had almost no impact on consumer costs. We know the ingredients that lead to high quality: better staff-to-child ratios, staff education, specialized training and improved teacher wages..

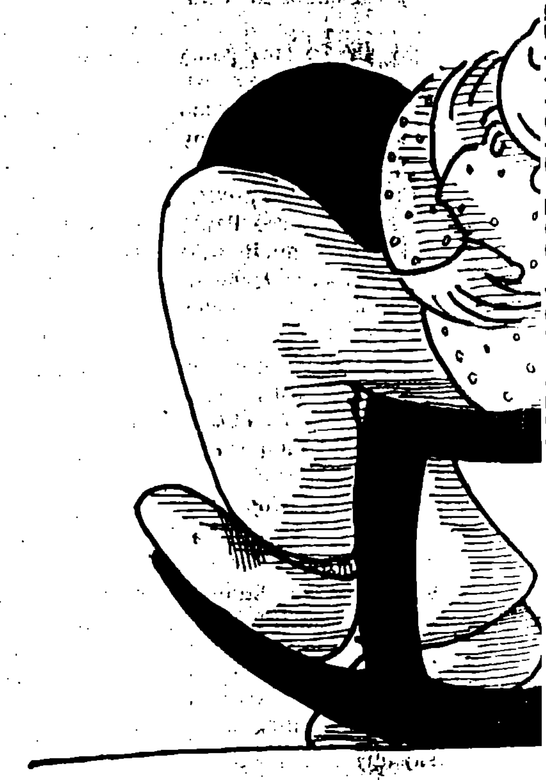
For too long, the debate has centered on whether day care is good or bad for children. When we debate the merit of day care, two things happen. First, parents become anxious about the choices they are making and do not advocate for changes in the system. Parents, as the consumers, push for flexibility and accessibility but do not have the tools necessary to evaluate quality. Second, as long as the debate centers on the very existence of day care rather than the quality of day care, money directed at raising standards of care remains at the bottom of funding priorities.

For too long, the debate has centered on whether day care is good or bad for children. Mr. Banks asserts that the future lies in the hands of a nanny. Now there is scientific credence to his claim.

The debate is over. Recent federal research has shown that children who receive high-quality day care are no different from children raised at home. The challenge to our country is not whether we should have day care for our youngest citizens or whether the federal government should be in the business of day care, but how well we can do it.

Mr. Banks asserts that the future lies in the hands of a nanny. The Families and Work Institute research provides scientific credence to his claim. The proposed bill is a step in the right direction.

Michael D. Kaplan, M.D., *is an assistant professor of child psychiatry at Yale University's Child Study Center.*



TRB®

FROM WASHINGTON

Who cares?

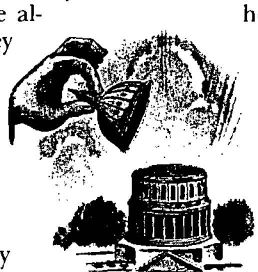
Despite its hefty $21.7 billion price tag, President Clinton's ambitious child care proposal seemed incontestable when he introduced it last month. Here, after all, was a plan that sought to help both the working poor, by giving them child care subsidies, and the middle class, by offering them tax breaks on child care expenses. Surely Republicans would not dare oppose an idea geared toward children and one that so strongly appealed to women during an election year.

But the right soon found a way out of Clinton's clever trap. The Clinton plan offers no benefits to parents who stay home with their kids rather than work; conservatives seized on this, and cited it as proof that the president's plan was antifamily. "Some fundamental questions need to be asked about the importance of the mother–child attachment, particularly in the very early months and years," Senator Daniel Coats, a Republican from Indiana, told *The Washington Post.* "Do we want to encourage the kind of child care the president is encouraging?" Soon, a group of moderate Senate Republicans led by Rhode Island's John Chafee introduced an alternative that—unlike the president's proposal—promised tax benefits for all families, even when one parent stays home.

What rich irony. Not so long ago, conservatives were braying about how we need to force lazy stay-at-home welfare mothers to get jobs. What's more, not one Republican senator has endorsed a proposal by Connecticut Democrat Christopher Dodd to extend the Family and Medical Leave Act to companies with at least 25 employees. Apparently, it's important to make sure parents stay home for three years but not for twelve weeks.

Yet putting such contradictions aside, there's a strong element of truth in what the conservatives are saying. For too long, the contentious debate over whether working mothers are bad mothers has overshadowed the equally important question of whether children need more attention from mothers *and* fathers, and whether government can do something to make that happen. If conservatives were really interested in expanding the Clinton plan and making it a universal child care program that offered financial assistance to all needy parents of young children—doing, in essence, what some European nations have done for years—their effort would not only be credible. It would be laudable.

Trouble is, providing such universal assistance gets very expensive, and—surprise!—the conservatives don't really want to spend the money. To finance the kind of tax relief Republicans are talking about—without sacrificing elements of the Clinton plan that would improve day care quality—it would cost well in excess of Clinton's $22 billion over five years, which the Republicans have already said is more than they can stomach. (The Chafee plan, by contrast, costs just $11 billion.) And if the idea is to help low-income families as well, the tax credit would have to be refundable—meaning you could collect the money as a subsidy if you were too poor to pay taxes in the first place. But Republicans say they're not interested in refundable credits, either, because of the cost. In short, conservatives want it both ways. They don't wish to penalize at-home mothers, but they're also unwilling to spend what it would take to give substantial child care assistance to everyone who needs it. How fair is that?



Of course, conservatives who oppose the Clinton plan deny any such ploys. "I understand there are budgetary constraints, but why don't we look at spending a similar amount of dollars and benefiting everybody?" asks a reasonable-sounding Amy Myers of the Family Research Council. It's a fair question, but it's one conservatives might want to ask Republican lawmakers first. After all, the Chafee plan doesn't benefit "everybody" any more than the president's. In fact, it conspicuously skimps on benefits for the one group—the working poor—who arguably need it most.

Here's why. Although Chafee magnanimously proposes an increase in the child care block grant, which directly subsidizes child care for the poor (who, again, don't benefit from nonrefundable tax credits), his increase is less generous than Clinton's—$5 billion instead of $7.5 billion. More importantly, the increase comes solely from discretionary funds. Unlike mandatory spending, which Clinton uses in his plan and essentially turns a program into an entitlement, discretionary money must be approved during the appropriations process, even after it's authorized in the budget. In other words, every year Congress would have to sit down and hash out funding levels all over again. Given the general reluctance of a Republican-controlled Congress to shift vast amounts of money from, say, corporate welfare to child care, it seems unlikely that all or even most of the subsidies in Chafee's bill would ever materialize. (Indeed, if all the Republicans really wanted was to universalize child care, they'd endorse an even more ambitious plan from Dodd. His preserves the essentials of the president's plan but also extends modest tax relief to at-home parents. Of course, it costs $30 billion.)

As part of their child care push, Republicans have also been promoting reform of laws governing flexible work hours. This is a sensible impulse, helping many middle-income parents rearrange their schedules to accommodate children. But most such proposals also make it easier for companies to avoid paying overtime. This tends to hurt—you guessed it—low-income Americans, who frequently rely on overtime pay simply to make rent and buy food.

It's possible to imagine a grand compromise—a bargain that would spread equal benefits to parents who work and parents who don't, one that would help families at all income levels and one that would do it all for a reasonable price. But when you divide the money among that many people, you have to wonder, just how much good is it doing? The fact is, a few extra hundred dollars given out to every parent is unlikely to enable many people to give up their jobs altogether. But if we target the assistance to parents who are working—parents who, in most cases, don't have much choice—each parent might receive enough money to offset the cost of child care enough to work fewer hours (and spend more time with their kids). As for those who couldn't reduce their hours, they might at least afford better care. "I don't want to turn this into a mommy war between those who want to stay at home and those who don't have a choice," says Dodd. "If you're fortunate enough that you can make that choice, you shouldn't be trying to deprive someone who has no such choice."

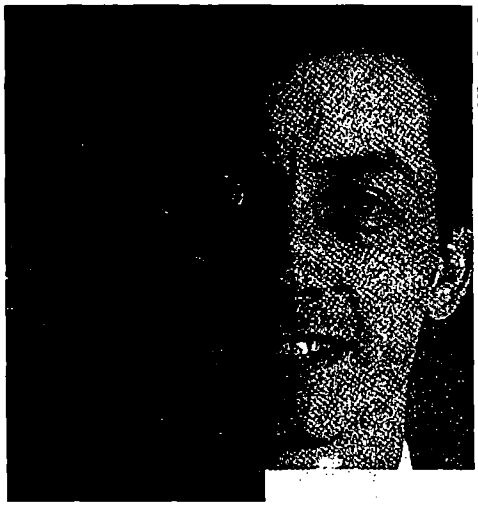
This is, of course, a politically hazardous argument to make: The role of women in the workplace is an issue about which Americans still feel profoundly ambivalent. But, as conservatives are so fond of arguing, when it comes to children, good policy should always trump good politics. And all things considered, Clinton's plan is pretty good policy.

JONATHAN COHN

Administration

THE DIVIDE OVER DAY CARE

BY BEN WILDAVSKY



RICHARD A. BLOOM

BRUCE REED: "We're the first to admit we can't solve every problem at once."

Given the continuing ambivalence that Americans feel about the large-scale entry of women into the workforce, it's no surprise that President Clinton kicked off considerable debate this month when he unveiled a $21.7 billion day care proposal that he termed "the single largest national commitment to child care in the history of the United States."

Social conservatives are portraying Clinton's child care plan as the latest strike by big-government forces in America's culture wars. Republicans, joined by some centrist Democrats, complain that the Administration is favoring working mothers over their stay-at-home counterparts by proposing tax relief for parents who use paid day care. Seizing on an economic-policy truism, they note that if you subsidize something, you are likely to get more of it.

White House officials counter that the President has already signed plenty of legislation that helps all families, from the Family and Medical Leave Act to the $500-per-child tax credit in last year's budget deal. Not every initiative, they say, can be all things to all people. "We're the first to admit that we can't solve every problem at once," said Bruce Reed, the President's domestic policy adviser, in an interview. "Our child care initiative is meant to help parents deal with the reality that most of them either have to—or have chosen to—work." When the President signed last year's child credit into law, Reed noted, "nobody said . . . that we were going to have more children as a result."

Still, there's evidence that Americans, both men and women, are troubled about the growing number of mothers in the labor force. "People have reservations about more mothers with young children working," said public opinion analyst Karlyn H. Bowman of the American Enterprise Institute for Public Policy Research. "And I think the debate will be fought on that ground." She cites a December NBC News/*Wall Street Journal* poll in which 42 per cent of adults called the trend of more mothers working outside the home "a step in the wrong direction," compared with 31 per cent who called it "a step in the right direction" and 20 per cent who said it made no difference.

There is no question that the entry of large numbers of mothers into the U.S. labor force is a sociological sea change that's all the more remarkable for the speed with which it has taken place. A couple of years after World War II, 27 per cent of women with children between the ages of 6 and 17 were in the workforce—which the Bureau of Labor Statistics (BLS) defines as working or looking for work. Fifty years later, that figure had risen to 78 per cent. Women with children under 6, the main users of child care, have always worked less than women with older children, but their labor force participation has seen an even more dramatic increase—from 12 per cent in 1947 to 65 per cent in 1997.

But social conservatives argue that the reality of women's labor force participation is more complex than advocates of day care funding realize. "There are a lot of shades of gray out there," said William Mattox, a senior policy analyst at the Family Research Council. "It's a big mistake for people to look at this as a black-and-white thing" in which a monolithic bloc of working mothers far outnumbers the bloc of nonworking mothers.

For one thing, a substantial portion of employed mothers of preschoolers work part-time—about three in 10. And many mothers of young children don't work outside the home at all. Among American women with children under 6, according to March 1997 BLS data, 35 per cent didn't work, 5 per cent were unemployed, slightly more than 18 per cent worked part-time, and almost 42 per cent worked full-time.

Another way of slicing the data is to look at the proportion of children in day care rather than the percentage of mothers who work. A Census Bureau report released on Jan. 14 found that in the fall of 1994 about half of the 10.3 million preschoolers whose mothers worked were cared for by family members. The other half were cared for either by nonrelatives or in organized day care facilities. There were about 20 million children under 5 in the United States at that time.

Overall, then, almost half of all preschoolers had nonworking mothers and another quarter were cared for by family members, an arrangement that in most cases is unpaid. So only about 25-30 per cent of the preschool population would be eligible for the child care tax credits proposed by the Administration. "The fundamental mistake that [Clinton] has made is in denying any sort of assistance to families that care for their own children, because that will violate a fundamental sense of fairness," Mattox said.

Democratic pollsters are confident that the Administration's child care plan will go down well with the public. Even though a substantial number of women stay home when their children are young, many later return to the workforce, noted Jennifer A. Sosin of the Democratic polling firm Lake, Sosin, Snell, Perry and Associates. "Most families with children at some point are going to have to deal with child care issues," she said.

Clinton's plan avoids the kind of national standards that have spelled death for previous child care proposals *(see NJ, 1/17/98, p. 126)*. And its central features—expanded block grants to states to subsidize child care for low-income families, increased tax credits to help low- and middle-income families pay for child care, and a new tax credit for businesses that provide child care for employees—combine federalism and targeted tax cuts, two favorite Republican policy approaches.

Indeed, some Republicans are warning one another not to be drawn into what they believe is an Administration trap designed to provoke them into obstructing popular initiatives. "There are a significant number of working women with children who also are part of the Republican coalition, and a part of the critical swing group necessary to win elections," said GOP pollster Linda A. DiVall. "Republican leaders need to be very careful that by their message they don't appear only to be talking to nonworking women or suburban housewives. Young working women do have a desire for day care."

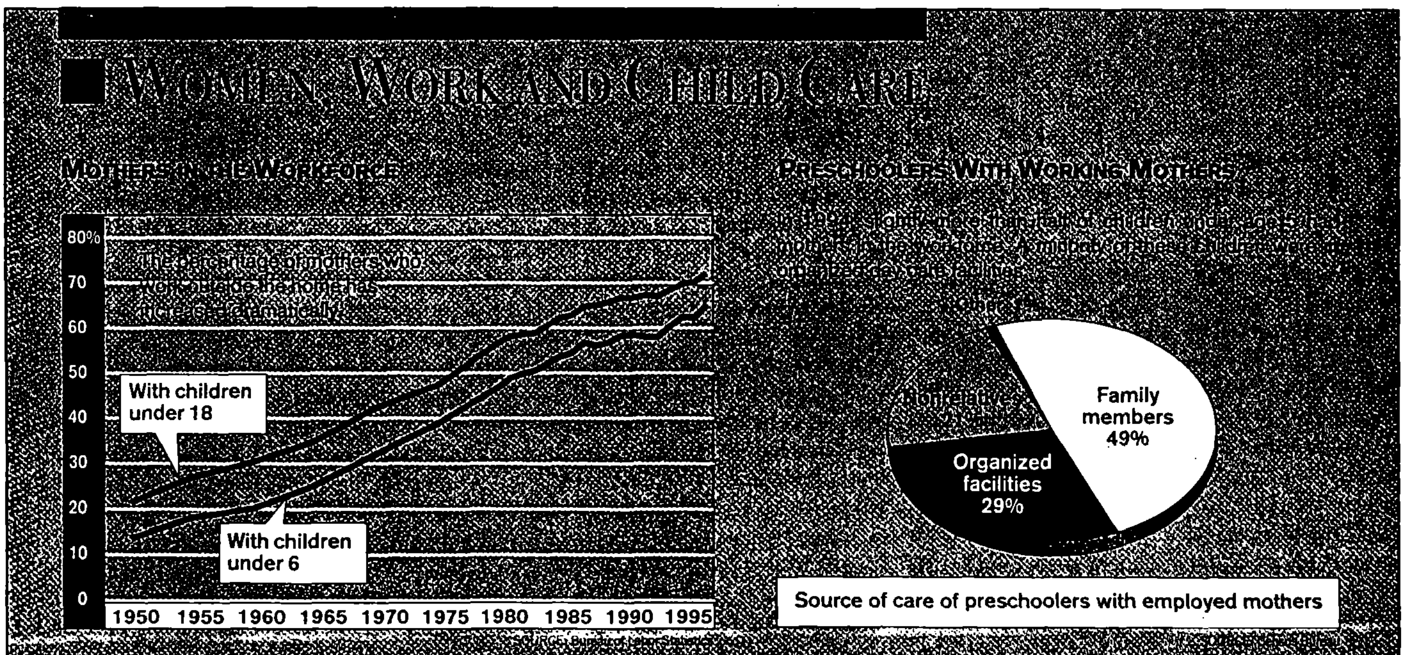
So far, Republicans and centrist Democrats are pushing a variety of alternatives to the Clinton plan that they say have the virtue of helping all families with young children, whether or not they use paid day care. These include increasing the $500-per-child tax credit passed in last year's balanced budget bill and making it easier for workers to take compensatory time off in lieu of paid overtime.

White House officials say they'd like to find ways to help stay-at-home parents, but they note that the costs would be high and the results uncertain. "We couldn't figure out a way, other than what we've already done, to create enough of a financial incentive," First Lady Hillary Rodham Clinton told *Newsweek* recently. "It takes a lot of money to offer $250 a year, which is not going to change behavior."

Still, it's clear the Administration is prepared to negotiate. "We are genuinely open to any affordable suggestion," Reed said. "Most of the suggestions that have been put forward are big across-the-board tax cuts that would spend money we don't have. But if there's a way to provide targeted help, we're certainly open to it."

Conservatives say they believe the child care debate kicked off by the President's new proposal could prove to be a replay of the one that took place in the late 1980s. Then, Democrats' and Republicans' differing views on child care policy resulted in a compromise: a 1990 law that created two state child care block grant programs, along with an expansion of the earned-income tax credit for low-income working families.

William A. Galston, a former Clinton Administration domestic policy adviser who's now the director of the Institute for Philosophy and Public Policy at the University of Maryland (College Park), agreed that Republicans may succeed in adding some general tax relief for families with young children to whatever child care legislation emerges this year. "I can see the making of a grand bargain here, where both parties manage to agree with the American people that families with dependent children are hard-pressed," he said. ■



Robin J. Bachman 02/09/98 11:55:13 AM

Record Type: Record

To: Neera Tanden/WHO/EOP, Jennifer L. Klein/OPD/EOP, Nicole R. Rabner/WHO/EOP

cc:
Subject: Don't know if you saw this...

On Wednesday the House will consider (under a suspension of the rules), Voter Eligibility Verification (H.R.1428), **Daycare Fairness for Stay-At-Home Parents (H.Con.Res. 202)**, and National Sea Grant College Program Reauthorization Act of 1997 (S. 927). The House will also consider a Resolution Regarding the Contested Election in the 46th Congressional District of California.

Bill Tracking Report HCR 202

1998 Bill Tracking H. Con. Res. 202; 105 Bill Tracking H. Con. Res. 202

EQUITABLE CHILD CARE RESOLUTION

EQUITABLE CHILD CARE RESOLUTION

DATE-INTRO: January 27, 1998

LAST-ACTION-DATE: January 27, 1998

STATUS: Pending

SPONSOR: Representative William F. Goodling R-PA

TOTAL-COSPONSORS: 15 Cosponsors: 0 Democrats / 15 Republicans

SYNOPSIS: A concurrent resolution expressing the sense of the Congress that the Federal Government should acknowledge the importance of at-home parents and should not discriminate against families who forego a second income in order for a mother or father to be at home with their children.

ACTIONS: Committee Referrals:
01/27/98 House Education and the Workforce Committee

Legislative Chronology:

1st Session Activity:

2nd Session Activity:

01/27/98 144 Cong Rec E 3 Remarks by Rep. Goodling
01/27/98 144 Cong Rec H 63 Referred to the House Education and the Workforce Committee

BILL-DIGEST: (from the CONGRESSIONAL RESEARCH SERVICE)

CRS Index Terms:

Children
Budgets
Caregivers
Child care block grants
Day care
Families
Parent and child
State and local government

CO-SPONSORS: Original Cosponsors:

Blunt R-MO	Bunning R-KY	Cook R-UT
Gallegly R-CA	Greenwood R-PA	Hefley R-CO
Johnson R-CT	Largent R-OK	Pitts R-PA
Shuster R-PA	Snowbarger R-KS	Wolf R-VA

Added 01/28/98:

Aderholt R-AL	McKeon R-CA	Riggs R-CA

LEVEL 1 - 2 OF 2 REFERENCES

FULL TEXT OF BILLS

105TH CONGRESS; 2ND SESSION
IN THE HOUSE OF REPRESENTATIVES
AS INTRODUCED IN THE HOUSE

H. CON. RES. 202

1998 H. Con. Res. 202; 105 H. Con. Res. 202

< =1 > Retrieve Bill Tracking Report

SYNOPSIS:
Expressing the sense of the Congress that the Federal Government should acknowledge the importance of at-home parents and should not discriminate against families who forego a second income in order for a mother or father to be at home with their children.

DATE OF INTRODUCTION: JANUARY 27, 1998

DATE OF VERSION: JANUARY 28, 1998 -- VERSION: 1

H. CON. RES. 202 JANUARY 28, 1998 -- VERSION: 1

SPONSOR(S):
Mr. GOODLING (for himself, Mrs. JOHNSON of Connecticut, Mr. GREENWOOD, Mr. COOK, Mr. BLUNT, Mr. WOLF, Mr. HEFLEY, Mr. GALLEGLY, Mr. PITTS, Mr. SNOWBARGER, Mr. SHUSTER, Mr. LARGENT, and Mr. BUNNING) submitted the following concurrent resolution; which was referred to the Committee on Education and the Workforce

TEXT:
Whereas studies have found that quality child care, particularly for infants and young children, requires a sensitive, interactive, loving, and consistent caregiver;
Whereas most parents meet and exceed the aforementioned criteria, circumstances allowing, parental care marks the best form of child care;
Whereas the recent National Institute for Child Health and Development study found that the greatest factor in the development of a young child is "what is happening at home and in families";
Whereas a child's interaction with his or her parents has the most significant impact on their development, any Federal child care policy should enable and encourage parents to spend more time with their children;
Whereas 48 percent of mothers with preschool children under the age of 5
H. CON. RES. 202 JANUARY 28, 1998 -- VERSION: 1
are full-time at-home parents and another 34 percent of mothers work part-time in order to spend more time with their preschool children;
Whereas a large number of low- and middle-income families sacrifice a

second full-time income so that the mother may be at home with her child;

Whereas the average income of 2-parent families with a single income is $20,000 less than the average income of 2-parent families with two incomes;

Whereas only 30 percent of preschool children are in paid child care and the remaining 70 percent of preschool children are in families that do not pay for child care, many of which are low- to middle-income families struggling to provide child care at home;

Whereas child care proposals should not provide financial assistance solely to the 30 percent of families that pay for child care and should not discriminate against families in which children are cared for by an at-home parent; and

Whereas any congressional proposal that increases child care funding should provide financial relief to families that sacrifice an entire income in order that a mother or father may be at home for their young child: Now, therefore, be it

* Resolved by the House of Representatives (the Senate concurring),
*That the Congress recognizes that-

(1) many American families make enormous sacrifices to forego a second income in order to have a parent care for their child at home;

(2) there should be no bias toward at-home parents;

(3) child care assistance, when provided to families, should be provided regardless of whether a child is cared for by an at-home parent, family member, neighbor, or child care center;

(4) a key component to any quality child care proposal should include financial relief for those families where there is an at-home parent; and

(5) mothers and fathers who have chosen and continue to choose to be at home should be applauded for their efforts.

TANDEN_N @ A1
02/05/98 07:21:00 PM

Record Type: Record

To: Jennifer L. Klein, Nicole R. Rabner, Neera Tanden

cc:

Subject: DODD, IN AN ELECTION YEAR, FACES OBSTACLES TO FAMILY LEAVE

Date: 02/05/98 Time: 17:51

FDodd, in an election year, faces obstacles to family leave

WASHINGTON (AP) On the fifth anniversary of the Family and Medical Leave Act, its chief author said more workers should be covered by the law's guarantee of unpaid time off to care for a new child or sick relative.

``This is a very popular idea,'' Sen. Christopher Dodd, D-Conn., said Thursday. He wants to expand the law to bring in businesses with at least 25 employees, down from the current threshold of 50. That would cover another 13 million workers.

But Dodd acknowledged that convincing his colleagues would be tough.

It took years to muster enough votes in Congress to pass the original law. It was vetoed twice by then-President George Bush, a Republican, before President Clinton signed it in a Rose Garden ceremony just two weeks after taking office.

Today, some of the bill's original opponents are still in Congress, including the Senate Republican leader, Trent Lott of Mississippi.

And there is opposition from business. John Satagaj, president of the Small Business Legislative Council, said it would be difficult for many small companies to meet the law's requirements. Requests for unusual benefits, such as lengthy time-off, are usually handled on a case-by-case basis, he said.

``We're not convinced that the problem is widespread,'' he said. ``Employees may find out that their employer is less flexible than they were before this law was imposed.''

The family leave law allows workers up to 12 weeks unpaid leave after the birth or adoption of a child, or to care for their own or a family member's serious illness. About 12 million workers took advantage of benefits offered by the law from January 1994 through June 1995, according to a commission created by Congress.

Dodd is aiming to expand the law as part of a larger initiative on child care, a White House priority. More than 40 child care bills have been introduced by Republicans and Democrats in recent months.

To mark the fifth anniversary of family leave, Dodd held a news conference with officials of the Adams National Bank, a Washington bank that started its own leave policy in 1977 as a small business. It now has more than 50 workers.

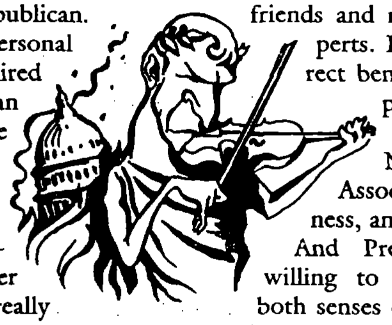
``Small businesses should not fear this,'' Barbara Blum, the

bank's president, said. ``It brings into the workforce people who stay with you.''
APNP-02-05-98 1801EST

BREAD & CIRCUSES

Yuppie Care

DURING a radio debate last week, Rep. Ellen Tauscher (D., Calif.) told me that she enthusiastically supports Bill and Hillary Clinton's $22-billion federal day-care initiative because she had a premature baby a few years ago and had some trouble finding a babysitter. Mrs. Tauscher was elected to Congress in 1996, spending $1.7 million of her own money to defeat an incumbent Republican. With a fraction of her personal war chest, she could have hired a neo-natal team from San Francisco General to care for her child. But she believes that her tale bolsters her case. In the brief time she has spent in Washington so far, Rep. Tauscher has learned how policy is really made. Despite stacks of studies and discs of data, legislation typically amounts to government by anecdote.



The coming day-care debate is particularly liable to the personal-ordeal paradigm. Washington, D.C., has the country's highest percentage of families with both parents working. Their experience tells them that parents with young children either want to pursue their careers at all costs, or must work to keep the wolf from the door (actually, to keep the BMW in the drive). While there is no evidence of a national problem crying out for a federal solution, lawmakers and their aides will generalize from their own situations to justify legislation.

Life outside the Beltway is, as in other matters, quite different. Nationwide, more than three-quarters of preschool-aged children have mothers who do not work outside the home, or who do so only part-time. Relatives take care of roughly half of children whose mothers are employed outside the home. Controlling for inflation, the cost of day care hasn't increased over the past twenty years despite increased demand (which has leveled off in recent years), and working parents report that they are satisfied with the day care their children receive. Working parents are not clamoring for better day care—hence Mrs. Clinton's reference to a "silent crisis."

Polls show that what working mothers do want is to work fewer hours in order to spend more time with their children. But the Clintons' initiative has nothing to do with what's good for children or appealing to parents. They really *believe* that "it takes a village to raise a child"—but a village not of friends and relatives, but of experts. Hence, the most direct benefits in the Clinton proposal go to the day-care lobby, the National Education Association, big business, and career women.

And President Clinton is willing to spend liberally—in both senses of the word—on all these constituencies. The new spending over five years would include: a $7.5-billion increase for the child-care block grant, a $5.2-billion addition to the dependent-care tax credit, $500 million in tax credits for employers, $800 million for after-school programs, $6.8 billion for new and old early-childhood-education programs, and $850 million to professionalize day-care workers. We can only imagine the kind of spending a *noisy* crisis would entail.

The majority of families with children will not get a dime of these funds—because they don't use professional day care. Instead, because of the tax credit, less affluent one-earner families (median income: $39,000) will be subsidizing the day-care costs for generally more affluent (median income: $58,000) two-earner couples.

When challenged about the White House's failure to provide assistance to mothers who stay at home, Bruce Reed, the President's domestic-policy advisor, responded defensively: The President would *like* to help parents at home but he lacks the money to do so. Reed surely would say that the President would like to help small businesses as well. But the proposed new business tax credits are for setting up on-site facilities, training child-care workers, and providing referral services—amenities generally feasible only for large corporations. To the extent that this makes big firms more attractive to workers, it could lure them away from small firms in a tight labor market.

Supporters of the Clintons' day-care scheme say all the spending is necessary because the 1996 welfare reform is pushing welfare mothers into the workforce. But the welfare-reform bill included $22 billion in child-care funding, and last year's balanced-budget deal provided the states with another $3 billion. This is in addition to the large surpluses states are enjoying as a result of declining welfare rolls.

Meanwhile, the biggest problem facing families with young children is that government takes about 40 per cent of their paycheck. They can't expect any meaningful relief so long as they are caught up in Washington's perpetual spending cycle: family budgets are stretched thinner and thinner as taxes inch up; Congress responds by helping with housing, health care, or education costs; and taxes inch up some more to pay for it.

Because the Clinton plan responds to a manufactured need it is more vulnerable than many Republicans think. Nonetheless, some of them are already providing cover for the Administration.

REP. Constance Morella (R., Md.) attended the White House conference at which the day-care proposals were unveiled. Rep. Deborah Pryce (R., Ohio), meanwhile, hit a cautious note in responding to Mr. Clinton on behalf of the GOP leadership. She explained that she was pleased that the President had resisted "the urge to have the Federal Government control child care." This is the kind of opposition the White House must love.

Sen. Larry Craig (R., Idaho) offers much sharper criticism on behalf of his Senate Republican Policy Committee. Sen. Craig opposes the plan as an unwarranted federal intrusion that discriminates against the great majority of parents in favor of institutional providers. Republicans would do well to pick up this line, and to use an anecdote of their own: Danielle Crittenden reports that many humane societies will not permit a couple to adopt a dog or cat if they both work full-time. If only Washington had similar solicitude for America's children. —KATE O'BEIRNE

COMMENTARY

By Keith H. Hammonds

CLINTON'S CHILD-CARE CONFERENCE: JUST CHATTER?

In March, acting on a tip, county inspectors visited the Milwaukee home of Dana Jones. As an unlicensed child-care provider, Jones was allowed by state law to look after three kids under age 7. Yet the inspectors that day found at least 34 children, some playing outside, some in sleeping bags, and four babies unsupervised. One child was lying beneath a sink, apparently for punishment. Remarkably, though, Jones's operation, first exposed in the *Milwaukee Journal Sentinel*, wasn't shut down. In fact, she regained county certification within four months.

So it goes in the underfunded, barely regulated system that looks after 12 million children under age 6. By some accounts, a majority of American kids in day care spend hours in settings that lack appropriate educational stimulation, safety, and security. This when recent studies indicate intellectual and emotional capacities are shaped most in the first three years of life. "People basically are ignoring kids," says Anne Arneson, director of the Wisconsin Council on Children & Families.

BUILDING THE FUTURE

It'll take more than talk. The national bill for more caregivers, better training, and higher pay could top $10 billion yearly

SUPPLY SIDE. What to do in the face of such need? If you're in the White House, you host a conference. On Oct. 23, Bill and Hillary Rodham Clinton were set to host 130 legislators, care providers, and child-development experts, all of them ready to agree on why good child care matters and how to get people to pay for it.

Ah, good, another conference. When the Clintons host a confab, chances are that (a) the topic will compel, (b) the discussion will be sober, and (c) not much will come of it. This is social policy, Clinton style: Pick an issue beyond reproach, rebabble the obvious, and hope people forget about campaign finance for a while. Hard choices or financial commitments? Not likely.

There are two straightforward ways to fix the child-care mess, and both require a lot of money. We can reduce demand, limiting the damage that reckless caregivers cause to kids. Or we can expand and improve supply—putting 10 more child-care workers on Jones's block, training them thoroughly, paying them better, and holding them to strict child-to-caregiver ratios.

Of the two, cutting demand is the more politically tenuous. Heritage Foundation analyst Patrick Fagan advocates extending subsidies and tax credits to families when a parent chooses to look after kids at home. "It's bad policy to tilt things toward child care only for working mothers," he says. Such a plan could make a difference for some low-income couples, but payments would have to be massive to keep single parents at home.

As for fixing child-care supply, there are many models. Among the states, Florida has allocated $4 million to a pool that will match employers' subsidies to workers. Georgia has used lottery revenues to increase child-care and early-education funding to $255 million, from $37 million four years ago. Indiana has brought together county-based teams of businesses, educators, providers, and community groups to fund provider training.

But such programs, though growing, don't nearly meet the need. Some 20 states, for example, allow infant-to-caregiver ratios above the 4-to-1 recommended by the National Association for the Education of Young Children, an accrediting group; Wisconsin, in fact, recently loosened its standard. Lowering the ratios would raise costs, as would mandating teacher training beyond the 8 to 15 hours common in many centers.

FIXING IT. Researchers estimate that meeting the Association's standards would cost up to $8,500 annually per child. Currently parents pay an average of $3,700 per child; through subsidies, tax credits, and the like, government chips in $1,000 on average. The funding gap—and overall need for day care—both likely will grow in the next five years as low-income mothers move off the welfare rolls. In all, the tab to right child care easily could top $10 billion a year.

To be fair, the Administration has some ideas about increasing federal subsidies to parents and businesses as well as creating scholarships for child-care researchers. "It doesn't take much to improve quality, and we don't need to invent a new system," Hillary Clinton told reporters on Oct. 22. But the First Lady was sugarcoating the problem: It will take a lot to improve the quality of the nation's child care and access to it. Most likely, she knows that Washington—like business and parents—hasn't the stomach for the big spending that true solutions require.

Hammonds covers social issues.

BASEBALL

BOTTOM OF THE NINTH

The Twins could be the first MLB team to move in 25 years

Carl Pohlad, the billionaire banker who owns the Minnesota Twins, says he's tired of covering $10 million to $12 million in losses each year. If the state legislature doesn't approve a $400 million publicly financed ballpark, Pohlad says that he'll accept an offer to sell the team to investors who would move the Twins to North Carolina (BW—Apr. 7).

If the Twins migrate, it will be the first time a Major League club has relocated since the Washington Senators became the Texas Rangers in 1972. But the North Carolina group headed by Don Beaver, who owns 10% of the Pittsburgh Pirates and five minor league clubs, appears to have significant support among the Lords of Baseball. And in Minnesota, where the legislature has had trouble even crafting a stadium-financing bill to vote on, the thought of throwing tax dollars at Pohlad to keep the cellar-dwelling Twins in town gets blood boiling. In fact, a recent poll shows overwhelming opposition to publicly financing a new ballpark. "Wherever I am, on the street, at the store, they're yelling at me, 'Don't give in to those billionaires,'" says State Representative Kris Hasskamp.

OUTTA THERE? *The team will stay only if Minnesota bankrolls a new stadium*

Pohlad bought the Twins in 1984 for $36 million and bagged World Series titles in 1987 and 1991. But the team just finished its fifth-straight losing season, and attendance has cratere[d since] then. Pohlad says he can't [afford] better players because he gets [a small] cut of Metrodome parking, concessions, and stadium advertising.

Pohlad, 82, swears he doesn't want to sell: "No one wants to keep baseball in Minnesota more than I do." But on Oct. 3, he signed a letter of intent to sell the club to Beaver for an estimated $130 million to $150 million.

The Twins candidly concede that the agreement was designed to force the issue—to get Minnesota to follow other states that have found the money to retain home teams. "We've been told that nothing will happen until we get to the edge of the cliff," says Twins President Jerry Bell. "We're at the edge of the cliff."

If the legislature can't come up with a deal for Pohlad by Nov. 30, the sale to Beaver goes forward—pending approval by Major League Baseball. Beaver would keep the club in Minneapolis for a year and then move to North Carolina, leaving behind the first city to say "Enough!" to baseball's demanding owners.

By Justin Catanoso in Minneapolis

HOLLYWOOD

THAT DARN KATZENBERG

The ex-chief's demands on Disney could hit $400 million

Around Hollywood, folks are looking forward to Nov. 18, when one of the juiciest shows of the season will open. On that date, Walt Disney Chairman Michael D. Eisner and his former studio chief, Jeffrey Katzenberg, will meet in a Los Angeles courtroom to play out the latest act in their bitter feud. Katzenberg quit in a 1994 blowup—after Eisner wouldn't name him president to succeed the late Frank G. Wells. Katzenberg then sued over his exit package, leading to this showdown.

Even by Tinseltown standards, the payoff could be epic. Katzenberg's suit seeks 2% of the profits from the films and TV shows he put into production between 1984 and 1994: His lawyers say this money was promised in his contract. That figure, according to Katzenberg's filing, starts at $250 million. But according to documents filed in a California state court, Katzenberg's lawyers say he is also owed money from "all forms of exploitation." His lawyers have asked for figures on everything from a *Who Framed Roger Rabbit?* theme-park ride to the Broadway *Beauty and the Beast*—and even on the Mighty Ducks hockey team. Disney argues that Katzenberg forfeited any such bonus by quitting while his contract still had a two-year option.

One Katzenberg confidant says the claim could exceed $400 million. But that could be just the beginning of the damage, says Ladenburg, Thalmann & Co. banker Porter Bibb. "This could blow the lid off Disney and show just what a money machine it is," he says. "What do you do if you're negotiating with a star or a toy company and they know just how profitable you are?"

WHO'S LAUGHING NOW? Katzenberg is suing for a piece of the profits from such studio blockbusters as *The Lion King*

Oddly enough, the executive who may play the biggest role is Wells, who died in a helicopter crash five months before Katzenberg quit. Wells negotiated Katzenberg's 1988 contract. Using what Katzenberg intimates call "a smoking-gun memo" said to be written by Wells and supporting the ex-chief's contentions, Katzenberg's side staged—and won—a pair of mock trials in September. "If there is a smoking-gun memo, I don't know about it," retorts Disney lead attorney Louis M. Meisinger. "He can take the mock jury to his mock bank account." Just the kind of script Hollywood loves.

By Ronald Grover in Los Angeles

(TOP TO BOTTOM) PHOTOGRAPHS BY MARK DUNCAN/AP/WIDE WORLD; B. LITTLE/SYGMA; EVERETT COLLECTION plan. But in a private meeting, chief Clinton administration lobbyist John Hilley told Lott that Democrats would no longer accept conditions they considered antiunion. Hilley's turnabout so angered the normally composed GOP leader that the meeting disintegrated into a profane shouting match and Lott stalked out.

Silent White House. Still, some Democrats are uneasy about defending the severance-pay provision and gripe privately that labor's stand is untenable. Even prolabor New York Sen. Daniel Patrick Moynihan cautions that unions shouldn't "close down the enterprise on which they survive." Moynihan has harsh words for the White House, which has been all but silent on Amtrak since the summer. Inside the administration the issue has been overseen primarily by political operatives, some of whom have union ties, rather than by Transportation Department officials. Asked about the White House's position on Amtrak, Moynihan replies, "There hasn't been one."

Organized labor is not the only Democratic interest group that opposes elements of the bailout package. Trial lawyers, who succeeded in stifling the bailout two years ago, object to a provision that would limit the liability of Amtrak and freight rail lines in case of a crash. In 1987, a Conrail freight train operated by an engineer who had been smoking marijuana hit an Amtrak train, killing 16 people and injuring more than 100. Conrail eventually paid out more than $100 million in damages. Republicans say that Amtrak would be devastated by such a financial hit, and they have included in the bailout a measure to limit punitive-damage awards to no more than $250,000 per passenger. (Several commuter railroads already have similar liability caps.) But the trial lawyers oppose virtually all efforts to limit damages in lawsuits. For the time being they are lobbying quietly and letting the unions lead the charge against the bailout package, but they say that even if the House approves the legislation, they believe they can block it in the Senate.

Taxpayers have a large stake in Amtrak's fate. Keeping the railroad going will ultimately cost much more than the pending $2.3 billion bailout. But letting it die could also be expensive. Union leaders say that if Amtrak goes out of business they will invoke the six-year severance provision for all eligible workers. The GAO contends the government is not obligated to pay it, and a lawsuit over the question is virtually certain. But if the government loses, it's estimated that even if Amtrak closes down it could wind up costing taxpayers an additional $6.9 billion. ■

Workfare Mary Poppins

Should welfare moms take care of other people's kids?

BY ELISE ACKERMAN

Kristina Thomas has left welfare and gone to work

As states require more welfare mothers to work, two obvious questions arise: Where will they find jobs, and who will care for their children? It's easy to imagine the light bulbs appearing over the heads of welfare reformers. Why not solve both problems at the same time by training welfare mothers to be day-care providers? Many states are doing just that. And some women on welfare, when they are carefully screened and well trained, do prove to be capable day-care providers.

But at the White House conference on day care last week, would-be reformers were manifestly uncomfortable with the idea. "I don't believe we should allow day care to be a workstation for workfare," declared Bishop Joseph Sullivan of the Brooklyn Diocese, to resounding applause. Witness after witness emphasized that day-care employees must be better trained and higher paid than they are now. Although day-care advocates are often reluctant to discuss this publicly, they are concerned that plans to hire tens of thousands of welfare mothers will undermine the quality of care. For reasons not always of their own making, some women on welfare have poor parenting skills, a history of being abused, or not enough education and business acumen to provide adequate care for kids. "The way I hear [this idea] talked about makes me cringe," says Ellen Galinsky of the Families and Work Institute in New York City. "There is a mistaken assumption that anyone can [provide good day care]."

NINA BERMAN—SIPA FOR USN&WR

Diana Insula takes care of kids in her Columbia, Md., home.

Violence at home. Over the next five years, as the work requirements in last year's welfare reform law kick in, the number of children needing subsidized day care is likely to triple to 4.5 million. Already, most states have lengthy waiting lists. To make things worse, experienced day-care workers are deserting the field in droves, discouraged by the meager wages. (The average salary is roughly $12,000.) That's why New York, California, Texas, Florida, and

Is Amtrak headed for a political train wreck?

Surprisingly, Democrats may derail a bailout

JEFFREY MACMILLAN FOR USN&WR

If Amtrak workers strike later this week, the railway could become insolvent within a matter of days.

BY KENT JENKINS JR.

Right now, Amtrak needs every friend it can get. The nation's long-beleaguered passenger rail system is losing so much money that it could go broke by spring—or even sooner if employees carry out a threat to strike this week. But when Amtrak went looking for help in Congress last week, some of its oldest friends were distinctly unhelpful. House Democrats, who had poured money into the railroad for years, voted almost unanimously to block a GOP-sponsored $2.3 billion federal bailout.

The central reason for the Democrats' stand is a quiet campaign by organized labor to protect one of the most lavish employee benefits in American industry. By law, any Amtrak employee who is laid off is entitled to a year of severance pay for each year he or she has worked there, up to a maximum of *six years'* severance pay—nearly a quarter of a million dollars for a worker making the union average of $40,000 per year.

The GOP bailout package includes a measure eliminating the severance plan, which Republicans deride as indefensibly generous. But on Friday, House GOP leaders failed to pass the bailout because of efforts by Democrats and a few pro-union Republicans to protect the severance policy. Democrats in the Senate are also threatening to oppose the bailout as long as it squeezes the union, and labor is pressuring President Clinton to veto the legislation unless the offending measure is removed. Each party is betting that the other will flinch before Amtrak goes bankrupt. "I'm very panicked," said one Capitol Hill staffer. "We're very possibly going off a cliff."

Precarious finances. Dire predictions about Amtrak have been around since its founding in 1970, but this time the railroad's problems are concrete and immediate. Despite $19 billion in federal subsidies over the years, Amtrak's current financial condition is "very precarious," according to the General Accounting Office, which notes that more than half the railway's passenger cars are "at or approaching the end of their useful life." Amtrak is so cash poor that it will have to borrow $80 million this year just to make its payroll.

The prospect of a strike this week could make it even harder to keep Amtrak afloat. A track-maintenance union that represents 2,300 of Amtrak's 20,000 workers is threatening to shut down the railroad unless its members get 3 percent annual raises. (Late last week, negotiators agreed to a deal that would permit all Amtrak commuting service to continue even if there is a strike against the railroad.) Though the requested raises are modest, Amtrak's management says there is no money for raises, period. Indeed, Amtrak President Tom Downs says that a strike could push the railroad to near bankruptcy in less than a week. In the event of a strike, Congress is likely to intervene quickly to protect the troubled railroad from insolvency.

Shouting match. When Republicans first put forward their bailout plan two years ago, Democratic lawmakers and the White House were worried enough about Amtrak that they were willing to give in to Republican demands such as eliminating the six-year severance-pay provision and making it easier to turn over union jobs to nonunion contractors. By the time Republicans tried to revive the bailout this summer, Democrats had changed their minds, in part because of labor's $35 million campaign against Republicans in the 1996 election. In June, Senate Majority Leader Trent Lott of Mississippi offered to include the Amtrak bailout in the balanced-budget

By law, laid-off Amtrak employees are entitled to as much as six years' worth of severance pay.

the Happy Face Day Care Center in McMurray, Pa. She hopes one day to run a center at home.

at least a dozen other states have initiatives designed to train welfare mothers to work in child care.

But state officials have discovered that many welfare recipients are not good candidates for child-care jobs. About one third of those on public assistance are depressed. Some 55 percent of welfare families have the television on seven hours or longer each day. Only half have 10 or more books in the house, and reading to kids is not routine. For young children, who need constant stimulation, the mother's own educational shortcomings may be part of the problem—more than a third of welfare recipients test at the "least proficient" literacy level. That means they could not read a street map or calculate the total cost of a purchase from an order form.

Violence plagues many welfare families. One study in Washington State showed that 55 percent of welfare mothers had been victimized by violent boyfriends or spouses. This is an especially big problem because most welfare mothers want to work at home, in part so they can continue to take care of their own kids.

Homes used for day care need to be not only violence free but well constructed. Many women on welfare, however, live in public housing that has a multitude of housing-code violations. Earlier this year a program to train 20 women in Louisville, Ky., faltered, in part because the homes of some trainees did not meet state safety standards. In Lowell, Mass., one woman set up a day-care operation in her apartment, only to have it shut down after the unit below became infested with fleas. She ended up in a homeless shelter.

Despite their initial enthusiasm, few would-be caregivers anticipate the demands of running their own business. Social workers discovered that of the roughly 60 women in the South Bronx who trained to be providers over the past two years, hardly any had gotten their family-day-care operations off the ground. There was a strong demand for their services; waiting lists at neighborhood day-care centers were hundreds deep. Yet the 15-hour course mandated by the state didn't fully prepare them to juggle bookkeeping, menu and activity planning, budgeting, marketing, negotiating with parents, and, finally, caring for children.

Still, the ranks of public-aid recipients include some extraordinarily resilient women well suited to child care. Twenty-six-year-old Diana Insula fit the profile of a troubled welfare recipient. Four years ago, her boyfriend broke down the door, shattered her windows, and threatened her with a weapon, leading her to jump out of a second-story window to escape. At another point, she spent nearly seven months living in a homeless shelter with her child. But rather than squelching her spirit, the experiences strengthened her determination to pursue a career. "I wanted to follow my dream to take care of kids," she says. Insula got her license to be a family-day-care provider in 1995. Working nearly around the clock as a child-care provider and at a second job as a security guard, she saved enough money to purchase a spacious, sunny townhouse in Columbia, Md., where she cares for up to seven children at a time. Her clients praise her effusively. "She has a love for children that radiates from the inside," says Sheila Hobson, the mother of two girls, ages 3 and 6, cared for by Insula.

Insula credits her success to the unflagging support of a state official who took a personal interest in her case. The handful of pilot programs that have consistently transformed welfare recipients into prosperous day-care providers all offer long-term, intensive training and follow-up assistance. Nearly all the 43 family-child-care providers linked to the Acre Family Day Care in Lowell, Mass., were once on welfare. Acre refers parents, conducts ongoing training, has a social worker on call, and provides economic aid. "I believe a welfare recipient has to be part of a network," says Anita Moeller, Acre executive director. "Being a family-child-care provider is just too isolating to make it on your own."

Mindful of the difficulties, Kristina Thomas, a 27-year-old from Claysville, Pa., completed a training course last winter and went to work at a nearby day-care center. While many welfare mothers have eschewed jobs that pay as little as Thomas's—$800 a month—she hopes she can use the experience to someday open her own home-based day-care business.

But most welfare recipients don't want to follow Thomas's example. They aspire to jobs that pay more and have better prospects for advancement. In some ways, being a day-care worker just doesn't seem like much improvement over being on welfare. Before, women got "paid" to take care of their own kids. Now they can get paid to take care of someone else's. Welfare reformers may see this as progress. Or they may be forced to admit that there aren't many Mary Poppinses hiding on the welfare rolls. ■

ENVIRONMENT

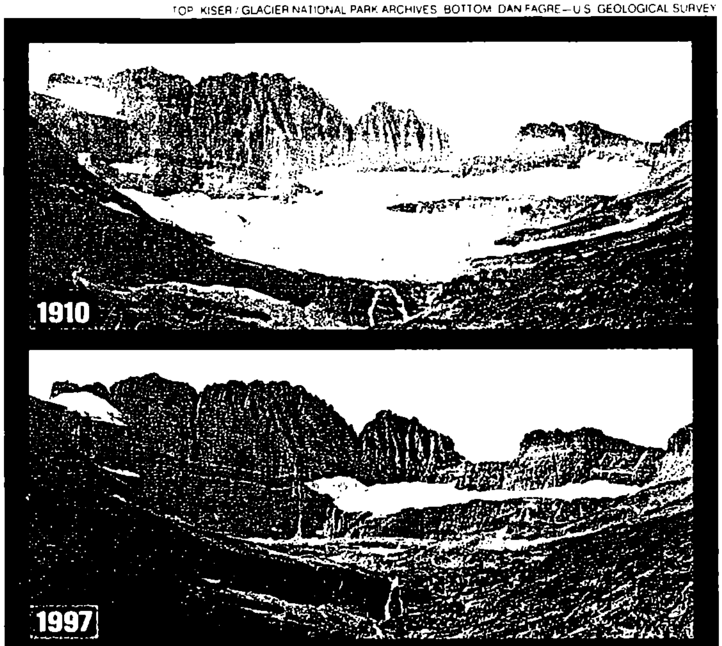
Al Gore on the warm seat

In his 1992 bestseller, *Earth In The Balance*, environmentalist Al Gore warned that the world "must act boldly . . . and quickly" to combat "the most serious threat that we have ever faced." That threat—global warming—has become a defining issue for the vice president as he begins to position himself for a presidential campaign.

Gore

But the plan to curb greenhouse gases announced last week by the Clinton administration was based more on political pragmatism than environmental purity. The blueprint—largely fashioned by Gore—proposes to cut domestic emissions back to 1990 levels over the next 10 to 14 years with tax cuts and market incentives. Tougher measures would please environmentalists but could threaten the booming U.S. economy by raising energy prices and unemployment, factors that might hurt Gore's presidential bid.

TOP: KISER / GLACIER NATIONAL PARK ARCHIVES; BOTTOM: DAN FAGRE—U.S. GEOLOGICAL SURVEY



Photos show global warming's effects on Glacier National Park.

Other nations gathering in Bonn to negotiate a new climate treaty denounced the U.S. proposal as weak, given that the United States pumps out one fourth of the world's heat-trapping carbon dioxide and methane. Opinions in the business community varied, but many environmentalists agreed with the Sierra Club's Dan Becker, who said the initiative was like "fighting a five-alarm fire with a garden hose." *–Michael Satchell*

EDUCATION

A flunking grade on science tests

Congress is attacking President Clinton's plan to toughen education standards with new national exams, but a survey released last week suggested that student achievement needs to be bolstered somehow. The National Assessment of Educational Progress (NAEP)—widely considered reliable—reaffirmed earlier findings that many students lack even a basic grasp of science. NAEP reported that only 26 percent of fourth and eighth graders and just 18 percent of 12th graders tested in 1996 were proficient in science. Only 3 percent of students in these grades had advanced knowledge of the subject. Among high school seniors, a striking 77 percent of African-Americans and 67 percent of Hispanics scored below the "basic" level, which included items like identifying ice as the solid form of water. *–Thomas Toch*

LAW ENFORCEMENT

A costly, disputed Illinois standoff

AP

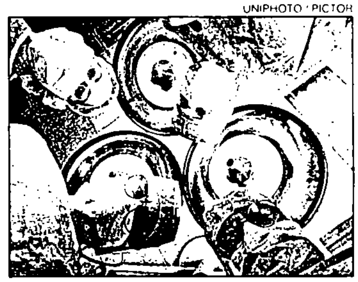
Allen with her late husband

A stalemate involving a 51-year-old former nurse has become the latest—and perhaps the unlikeliest—symbol for Americans who believe government authority has gone too far. Relatives had grown worried that Shirley Allen, who lives in rural Roby, Ill., was becoming progressively more paranoid and delusional, following the death of her husband in 1989. When she resisted their efforts to help, the family obtained a court order for a psychiatric exam. But Allen holed up in her home, threatening all comers with a shotgun, allegedly firing twice at police. Authorities initially tried tear gas, loud music, and nonlethal beanbag bullets to get her out, before backing off and assuming a lower profile. The scene has attracted militia members who feel the actions of both the police and Allen's family have been heavy-handed. Last week, the standoff passed the one-month mark. The conflict has cost Illinois taxpayers nearly half a million dollars in round-the-clock police surveillance. *–Warren Cohen*

MEDICINE

New rights for patients?

UNIPHOTO · PICTOR



For patients frazzled by a rapidly changing health care system, the sort of "medical bill of rights" outlined last week by a presidential panel can't come soon enough. The Advisory Commission on Consumer Protection and Quality in the Health Care System proposed a broad new range of protections for patients, including the rights to appeal denials of care or coverage by insurers and HMOs, to obtain more information about their doctors' expertise, and to keep their own doctors for at least 60 days even if forced to switch health plans. President Clinton is expected to endorse the group's report when it's finished early next year, but he'll have to push if it is going to have any influence on the patchwork of health care reform bills now before Congress. *–Shannon Brownlee*

Edited by Gordon Witkin

MAKING CHILD CARE MACHO

As she turns 50, Hillary Clinton seizes the chance to take her pet issue to the big time

BY JONATHAN ALTER

FORGET THE PRESIDENT'S GENITALS. I'M more interested in the genitals of an issue. I'm wondering if child care can develop some *cojones* and move out of the ladies' department into the macho world of big-time, bone-crunching legislation, where the real nuts get cracked. Offended? I hope so, because I'm offended, too. I'm offended by men so out of touch with the needs of children (including their own) that they think of "child care" as just another feminist whine imported from Denmark or someplace. I'm offended by women who claim to recognize that the poor quality of much of the care is a national scandal, but are so badly organized that for a decade many states have actually had to return federal child-care money to Washington because no one persuaded their lame legislatures to match it. And I'm doubly offended by communities all over the country where kids get out of school at 3 p.m. and spend the rest of the day totally unsupervised. Then we wonder why they get into drugs and knock each other up.


WALLY MCNAMEE FOR NEWSWEEK

Children's hour: *At the conference, the First Lady focused on an issue that has long been close to her heart*

Hillary Clinton is offended, too, though she is working hard to control the thermostat of her outrage. With her popularity soaring, she found the perfect way to spend the week before her 50th birthday. After five years in Washington, she is finally immersed in the issue that has been closest to her heart for the last 20. But to what end? The question that hung in the East Room chandeliers last week was whether the White House Conference on Child Care, chaired by the First Lady, was the beginning of a big 1998 idea—a bid to finally catch up to every other industrialized country in the world on this front—or just another gabfest for the faithful.

The statistics are horrifying. Average pay for child-care workers: $12,000, with turnover greater than every occupation except gas-station attendants. Average training: none. Average portion of a low-income worker's wage that goes for this often inadequate care: 25 percent. According to one study, only one in seven child-care facilities meets minimal standards for quality. Hillary says she wants to "start a national conversation" on all of this, with an eye toward what her husband promises will be a major child-care plan in his State of the Union speech next January. The president asked for public advice on what the specifics should be. Expansion of Head Start to reflect new research on the critical importance of the ages zero to 3? Expanded tax credits for child care? Help for after-school programs (many of which have been canceled in recent years) for older kids? All of the above? Because the much-touted "conversation" on race relations isn't likely to lead to new lawmaking, child care might be the last signature legislation of the Clinton era.

But first "Billary" (remember *that?*) must prove they learned something from their health-care fiasco. There are two big lessons that seem to have been drawn from that sorry episode—one right, one wrong. The right lesson is that a Washington-designed Rube Goldberg contraption—even if it's good enough for the U.S. military—will fail; 1970s-style federalized child care is DOA. The wrong lesson is that any kind of big new spending program on a so-called liberal issue is doomed. Quite the contrary. Flexible, hardheaded, locally run liberal ideas that relate to women are booming, and almost untouchable by Republicans staring into the abyss of a 17-point gender gap.

The politics of what were once known as woman's issues are rapidly changing. Remember the "Violence Against Women" bill? A few years ago, it was laughed off Capitol Hill; this year it sailed through virtually unopposed, thanks to the gender gap. Meanwhile, welfare reform (a macho issue) has now melded with child care. Any politician who's for forcing welfare mothers to work without providing help with child care now looks like an idiot.

The Christian Coalition notwithstanding, child care can be redefined as apple pie—under two conditions. The first is that the Democrats aim high. If they propose Dick Morris–style incremental change, without serious money, they'll end up with virtually nothing. The second condition is that the issue be framed so as not to offend stay-at-home mothers. Hillary already seems sensitive to that, stressing that she rejects "one size fits all" ideas about child care. She even points to a North Carolina program that offers new mothers stipends for diapers and baby food if they stay home with their newborns instead of rushing back to work.

Even so, child care is a perfect example of a common conundrum in the Clinton era: how do you replicate what's working in places like North Carolina (the Smart Start early-childhood program). It's not as easy as it sounds. According to market principles, the good ideas should naturally spread, but they don't. "Why is the market dysfunctional in cases like this?" the president asked Treasury Secretary Bob Rubin at the conference last week. Rubin paused, then said, "Are you asking me?" The crowd laughed, but the president was earnest: "I think it's the single most important question about social policy today." Rubin, whose success with the economy allows him some cheekiness, replied, "You're the president of the United States. You're supposed to know the answer to these things."

But of course he doesn't. Even with their bully pulpits and gender gaps, the president and First Lady seem small when arrayed against our longstanding neglect of children. Now we'll see if they're serious about growing larger.

INSERT CARD, LOSE SHIRT

Trading stocks at your ATM is easy, but guess who's to blame if there are brokerage mistakes?

BY JANE BRYANT QUINN

QUESTION: *I have a brokerage account at Citicorp Investment Services and check stock prices through a Citibank ATM. Based on what it showed, I put in a sell order for a stock at a particular price. The trade wasn't executed, even though the ATM showed (and Citi's phone reps confirmed) that the market reached my price on numerous days. Then the company went bankrupt. Later I obtained market prices for that period from another Citi source and discovered that I'd been misled. Citi's ATM overstated the stock price, so I was asking more for it than I could get. What are my rights?*

GOURI MUKHERJEE, BROOKLYN, N.Y.

In a letter that I suppose Citi considers "customer service," vice president Susan Murphy says it's all your fault. She acknowledges Citi's errors, then scolds you for relying on an ATM to see if your stock had sold. She also thinks you shouldn't have taken so long to discover that Citi's price was wrong. So silly that you kept trusting the ATM. Other brokerage customers: take note.

Citibank's Connie Kain now says that Murphy herself was (sob) mistaken when she told you the ATM was wrong. Checking back, Kain says, the bank found that its source for the price quotes was right, and therefore presumes that the ATM must have been right, too. There's no explanation for why Citi's phone reps would have confirmed a different price—namely, the higher price you were trying to get. As Kain sees it, you overpriced your stock based on no evidence at all. You could try arbitration. Lots of luck.

• • •

QUESTION: *I am trying to obtain affordable health insurance for my husband, Dennis, 56. We're both retired. He had non-Hodgkin's lymphoma in 1982 and again in 1986, which was covered by insurance we'd bought through our business. Since 1987 he has been cancer free. His current, individual policy through PFL Life, however, pays only for outpatient hospital care, and the price just rose from about $4,000 to $7,000 annually. That's prohibitive. But other policies won't insure him for any cancer-related bills at all.*

BEVERLY KENDALL, HENDERSONVILLE, N.C.

I can hear the frog chorus of insurance companies croaking. "We're not in business to insure known risks." In fact, nowadays insurers are turning down people (or pricing them out) on much flimsier grounds than they have in your husband's case. The government covers everyone at 65, regardless of health, but younger people have to pay their own way, find charity care or die.

NEWSWEEK tried several agents who scout coverage for the hard-to-insure, but without success. Thomas Richman of Creative Benefit Plans in Cranbury, N.J., suggests calling HMOs. The majority accept only employee groups, but many take individuals and may cover pre-existing conditions. Or try the social-services departments of local hospitals. Hospitals sometimes have managed-care programs with liberal rules.

On July 1 a federal law took effect that's supposed to save other people from the dread you face. Workers who lose their group insurance will now have a right to a similar policy somewhere else, regardless of health. But for anyone who has stood in your shoes, this new "right" is a laugh, in many states. Yes, people can go from group to individual coverage, guaranteed. But insurers can deliberately price those "guaranteed" policies out of reach.

• • •

QUESTION: *I'm wondering whether I qualify for the new Roth IRA, which will accumulate money tax free. I'm retired with a pension, so have no earnings of my own. But my wife earns about $6,000 a year. Can she set up a Roth for me?*

ALFRED PARRINELLO, GAINESVILLE, FLA.

She sure can. When Roth IRAs open for business next year, any worker who qualifies can start an account for a nonworking spouse. Your wife can put away $2,000 for herself and another $2,000 for you, in separate accounts. Roths are open to couples with adjusted gross incomes of up to $150,000, phasing out at $160,000; or singles up to $95,000, phasing out at $110,000.

Financial planner James Shambo of Lifetime Planning Concepts in Colorado Springs makes the following smart suggestion: don't wait until 1998. Contribute $4,000 to two tax-deductible IRAs for 1997. Next year switch that money into two Roths (conversions are allowed for people with incomes under $100,000). You'll owe income taxes on the switch but can stretch out the payments over the next four years. Conversions generally make sense, as long as you switch every dime from your old IRA into the Roth, paying the tax out of other funds. But you probably shouldn't convert if you'll have to withdraw some IRA money to pay the tax.

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QUESTION: *I'm a married active-duty army officer, 28. We anticipate moving every three or four years for the next 15 years or so. Should we buy a house to build equity for the day we settle down? Or should we plug away at mutual funds and stocks, and use those funds to buy a house when we retire from the military?*

RICH PRIOR, AUGUSTA, GA.

If you think you might retire in Augusta (nice town!), you could buy a house and, when you move, try to rent it for enough to cover its cost. But you'd need a local manager to find tenants and look after the place, and you can't predict what the upkeep will be.

Financial planner John Allen of Allen-Warren in Arvada, Colo., thinks your best bet is to rent at the lowest comfortable level and squirrel away as much as you can into mutual funds. He'd pick funds of moderate risk for your future-home purchase—say, growth-and-income funds. Keep this money separate from other retirement funds, which might be invested more aggressively.

Reporter: TEMMA EHRENFELD

Send your questions to Jane Bryant Quinn, NEWSWEEK Focus: On Your Money, 251 West 57th St., New York, N.Y. 10019. Letters can be answered only in the column.