Chris Dodd
U.S. SENATOR FROM CONNECTICUT
NEWS

FOR IMMEDIATE RELEASE
January 26, 1998

Contact: Jennifer Greeson
(202) 224-0346

Dodd Announces Comprehensive Child Care Package to Encourage Quality, Assist Working Families

Washington — Senator Chris Dodd, ranking member of the Senate Subcommittee on Children and Families, will introduce innovative legislation to dramatically improve the state of child care in the country through initiatives that foster quality care, help working families grapple with skyrocketing costs and promote local, private sector involvement.

"We're facing a child care crisis in this country. It's time we give parents a greater choice and peace of mind as they juggle the responsibilities of work and home," said Dodd. "Unless we take necessary and dramatic steps to address this problem, our children and our nation will approach the 21st century at an extraordinary disadvantage."

Dodd's legislation, supported by such Senators as Tom Daschle (D-SD), Edward Kennedy (D-MA),Tom Harkin (D-IA), Barbara Boxer (D-CA), and Patty Murray (D-WA), addresses vital shortcomings in the current child care system by rewarding quality care, offering assistance or a tax credit for working families, increasing the supply of after-school care and encouraging private sector involvement. It also supports stay-at-home parents by providing them the same tax credit as working parents and calling for expansion of the Family and Medical Leave Act to an additional 13 million Americans.

The measure would enhance the quality of child care across the country through "Quality Bonuses." Through grants, efforts known to produce the greatest gains in quality such as better provider-child ratios, the enforcement of standards, background checks on providers, and parent education would be rewarded. Studies have shown that child care quality can be significantly improved with increases in investments of as little at ten percent.

Dodd's legislation would make public-private "challenge grants" available to local communities who generate matching funds from the private sector to create more child care slots and to improve the quality of care on a community-wide basis. It also encourages employer involvement by providing a 25 percent tax credit to organizations who run onsite, accredited care centers, contract with off-site accredited centers or contribute to the local match for the aforementioned challenge grants.

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In an effort to alleviate the problem of children with no supervision or care during after-school hours, Dodd has included in his bill an initiative to increase the quality and supply of programs that serve children after school. This measure would increase the age of those able to participate from 13 to 15 years and allow for extended hours to meet the needs of working parents. Five million kids in this country are unsupervised between the hours of 3 and 6 p.m.

"The afternoon hours are often difficult for parents who work and can't be at home with their children when they return from school," said Dodd. "By offering kids stimulating and safe activities after school we'll help keep them out of trouble and on the right track."

Dodd, who is also chairman of "Right Start 2000: A Senate Democratic Strike Force for Kids," has led the national effort to improve child care during his tenure in the Senate. Several years ago he authored and won passage of the first comprehensive child care legislation since World War II designed to increase the quality, availability and affordability of child care options.

-30-

DT: 4/29/98

Child Care Targets
(✓ = Up for Re-election in 1998)

Republicans Up for Re-Election in 1998

Member	State	Last Margin
✓Bond	MO	54%
✓Campbell	CO	55% – Doug doing
✓D'Amato	NY	51%
✓Specter	PA	51%
Of note:		
✓Faircloth	NC	52%
✓McCain	AZ	56%

Moderate Republicans:

Chafee	RI	65%
Collins	ME	49%
DeWine	OH	53%
Jeffords	VT	50%
Lugar	IN	67%
G.Smith	OR	50%
Snowe	ME	60%
Warner	VA	53%

In the Room:

Domenici	NM	64%
Frist	TN	56%
Hatch	UT	69%
Lott	MS	69%
✓Nickles	OK	59%
Roth	DE	56%

Democrats:

Tobacco:		
Cleland	GA	49%
Ford	KY	not running
✓Hollings	SC	51%
Robb	VA	46%
Other:		
Baucus	MT	50%
✓Breaux	LA	74%
Bryan	NV	51%
Conrad	ND	58%
✓Daschle	SD	66%
✓Graham	FL	66%
Kerrey	NE	55%
Kerry	MA	52%
✓Moseley-Braun	IL	55%
Rockefeller	WV	77%

(Collins + Snowe are a 2 for 1)

DEMOCRATIC CAUCUS
U.S. HOUSE OF REPRESENTATIVES

Vic Fazio, Chairman
Barbara B. Kennelly, Vice Chair

AGENDA
Child Care Briefing
April 30, 1998

I. Introduction

Chairman Vic Fazio

II. White House Child Care Initiatives and Strategy

Elena Kagan, Deputy Assistant to President for Domestic Policy
Jennifer Klein, Special Assistant to the President for Domestic Policy

III. Committee Update on Pending Child Care Legislation

The Honorable Nita Lowey

Imp. to combine something w/ child care.

1420 Longworth House Office Building Washington, DC 20515
Phone: 202 226 3210 Fax: 202 225 9253 E-mail: democratic.caucus@mail.house.gov

[redacted]

Record Type: Record

To: Elena Kagan/OPD/EOP

cc: Nicole R. Rabner/WHO/EOP, Jennifer L. Klein/OPD/EOP
Subject: Kennedy after school bill

fyi - Senator Kennedy is dropping his bill on after-school on Monday. It has $5 billion over 5 for CCDBG (through a new title), $1 billion over 5 for 21st Century Learning Centers, and $1.25 over 5 for some kind of crime prevention fund. He only has Democratic cosponsors so far - Boxer, Kerry, Wellstone, etc - and they're waiting to see if Dodd will join. They of course want our support for their bill.

The Investment in Children Act

Introduced by Congresswoman Barbara B. Kennelly

1. Increases the Dependent Care Tax Credit (DCTC)

Increases DCTC to cover 50% of child care expenses for those earning less than $30,000 a year. Reduces credit by 1% for every $1000 in income above $30,000 until the credit reaches 20% for those earning $60,000 and higher. Same cap on allowable expenses as current law. (The bill also prevents the Alternative Minimum Tax (AMT) from reducing this and other non-refundable tax credits.)

2. Provides Expanded Child Tax Credit for Stay-at-Home Parents

Allows families with children under the age of 4 who do not receive the Dependent Care Tax Credit to file for an expanded Child Tax Credit. This credit would be equivalent to the current $500 Child Tax Credit plus an additional amount equal to the average *increase* in tax relief provided to two-worker families with a young child through the expansion of the DCTC.

3. Establishes Tax Credit for Businesses Offering Child Care

Provides 25% credit for child care expenditures up to $150,000. The credit would be available to businesses for the following expenses: building or expanding on-site child care facilities; operating existing on-site child care facilities; or contracting with a licensed child care facility.

4. Expands the Child Care and Development Block Grant (CCDBG) for Low-Income Working Families

Increases CCDBG funding by $8 billion over 5 years. These new mandatory funds would seamlessly augment current CCDBG funding with three exceptions. First, states would have to draw down their current CCDBG allocation before accessing these new funds. Second, the new funds would only require a 20% state match. And third, at least 70 percent of the new funding must be used for child care assistance to working, low-income families who are not on welfare.

5. Improves Child Care Quality and Safety

Invests $3 billion over the next five years through the CCDBG to improve the quality and safety of child care. States could use these funds to reduce staff-to-child ratios, improve and expand child care training, strengthen enforcement of state health and safety requirements (including increasing unannounced inspections of child care settings), increase compensation for child care providers and other initiatives to improve child care. Funds from this title would be distributed to states in the same manner as the current CCDBG, except state match would be lowered to 20%.

6. Expands After-School Programs

Invests $3 billion over the next five years to expand after-school programs through the CCDBG (with 20% state match); plus an additional $1 billion through the Department of Education's 21st Century Community Learning Center Program.

Dodd's child care bill - original co-sponsors, in addition to Senator Dodd - as introduced on 2/4/98

Akaka
Biden
Bingaman
Boxer
Bumpers
Daschle
Dorgan
Durbin
Feinstein
Graham
Harkin
Inouye
Kennedy
Kerrey
Kerry
Landrieu
Lautenberg
Levin
Moseley-Braun
Mikulski
Murray
Reed
Reid
Rockefeller
Wellstone

MEMORANDUM

Chafee, et al. Child Care Bill 28 January 1998

Today, Senators Chafee, Hatch, Snowe, Roberts, Specter and Collins introduced the **Caring for Children Act**. While it was sponsored by Republicans, at least one of the Senators (Chafee) characterized it as a **bipartisan** bill.

The piece that helps **stay-at-home parents** is an expansion of the Dependent Care Tax Credit to a non-working parent, giving them one-half of the credit available to those who work and incur child care expenses for children **ages 0 to 3** (they noted that making the credit available to stay-at-home parents of children over 3 years would be too expensive). The bill would also phase out the credit and cap eligibility at $105,000, creating a savings to help pay for the stay-at-home piece.

The bill would also increase to $30,000 the income at which one could take the full credit and increases the credit from 30% to 50% of expenses (similar to the President's plan).

Other provisions are:

- **$1 million** annually for the Dept. Of Labor to conduct **outreach** to businesses to promote awareness of the Dependent Care Assistance Program
- Provide **20% tax credit of expenses up to $500,000** for **employers** who construct, renovate or operate on- or near-site child care facilities--max. credit of $100,000 (President's plan calls for $150,000 max. credit).
- **$50 million/year** to HHS to increase **access to information** and provide **technological assistance** to providers and workers to improve quality
- Give **bonuses** to states that **enforce standards** (through inspections) and penalize those that do not--10% increase or decrease in CCDBG
- **$60 million over 3** years in competitive **grants** administered by states to encourage **small businesses** to develop child care programs
- A GAO study to determine if liability concerns hinder availability of child care

There are no exact **cost estimates** from Joint Tax yet, but the estimates from the Senators were:

- Approximately **$17 billion** over five years for the package.
- About **$12 billion** for the **stay-at-home** DCTC piece, but a savings of about $6 billion from capping the DCTC. So a **net cost** of about **$6 billion** for these changes to the DCTC.

Summary of Dodd Child Care Bill

Total investment of approximately $30 billion over 5 years.

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

<u>Enhancing the Quality of Child Care and Early Childhood Development</u> – Provide $3 billion in mandatory funding over 5 years through the block grant to encourage states to invest in activities known to produce significant improvements in the quality of child care and early childhood development, such as the following:

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

<u>Increasing the Availability and Quality School-age Child Care</u>

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

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

- Allow schools to use the National School Lunch Program to provide nutritious meals or snacks to children in afterschool programs.

Expanding the Dependent Care Tax Credit (estimated cost $8 billion/5 years)

- Make the credit refundable so that families with no or little tax liability (those making under $30,000) can receive assistance with child care expenses.
- Adjust the sliding scale to increase the credit for families earning under $60,000. For example, a family earning $30,000 with one child would be eligible for a credit of up to $1200, instead of $720 under current law.
- Index the current expense limits (currently $2,400 for one child and $4,800 for two or more children) for inflation to help the credit keep pace with rising child care. costs.

Supporting Family Choices in Child Care (estimated cost $5 billion/5 years)

- Allow stay at home parents with children under the age of 1 to claim a portion of the dependent care tax credit, based on imputed expenses of $90 per month (maximum credit = $540). This credit would also be made refundable to allow families earning under $30,000 could benefit. The credit is phased out for families earning over $70,000.
- Expand the Family and Medical Leave Act to include businesses with 25-50 employees. This would protect an additional 13 million working Americans and their families and would provide coverage for 71% of the private workforce -- an increase of 14%.

Encouraging Private Sector Involvement

- Create a new discretionary program of competitive "challenge grants" in which communities who generate funds from the private sector would be eligible for matched federal grants to improve the availability and quality of child care on a community-wide basis. Authorized at $1 billion over 5 years.
- Provide a 25% tax credit to employers ($500 million/5 years) for operating on-site child care centers, contracting for off-site child care, contributing to the costs of accreditation or operating resource and referral systems.

Ensuring the Quality of Federal Child Care Facilities -- Require federal child care centers to meet all applicable state licensing standards.

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DATE: ____________

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 INDEPENDENCE AVE., SW
WASHINGTON, D.C. 20201

PHONE: (202) 690-6311 FAX: (202) 690-8425

OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION
HUMAN SERVICES LEGISLATION
ROOM 413 H HUMPHREY BUILDING

TO : Jen / Neera / Nicole

OFFICE : ____________

ROOM NO : ____________

PHONE NO : ____________

FAX NO : 456-2878

TOTAL PAGES INCLUDING COVER) : 25

FROM:

[ ] MARY M. BOURDETTE

[ ] BARBARA P. CLARK

[ ] GREG JONES

[ ] PATRICIA BRAVO

[ ] AMY LOCKHART

[✓] LAUREN GRIFFIN

[ ] LULA BARNES

REMARKS:

The Tauscher bill

105TH CONGRESS
2D SESSION

H. R. ____

IN THE HOUSE OF REPRESENTATIVES

Mrs. TAUSCHER (for herself, Mr. ALLEN, and Mr. MORAN of Virginia) introduced the following bill; which was referred to the Committee on ____________

A BILL

To authorize the Secretary of Health and Human Services to make block grants to States for purposes of improving the quality of child care services and making grants to business consortia to provide quality child care services; and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Model States Child Care Enhancement Act of 1998".

TITLE I—GRANTS TO MODEL STATES

Subtitle A—Grants To Improve the Quality of Child Care Services

SEC. 101. AUTHORITY TO MAKE CHALLENGE GRANTS.

The Secretary may make grants in accordance with this subtitle to eligible States to improve the quality of child care services, to be used by such States for purposes the Secretary shall specify by rule, including—

(1) to provide State or federally approved, developmentally appropriate child care training that adheres to a program widely recognized by the community of interest that serves young children and that is accredited by national institutions that are recognized by the Secretary of Education, beyond the training described in section 102, to individuals who are caregivers who are, or are employed by, child care providers who provide child care services for compensation,

(2) to require health consultation and age-appropriate immunization in accordance with the then current immunization recommendations issued by the Centers for Disease Control and Prevention to—

(A) children who receive child care services for which assistance is provided under the Child

Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.), and

(B) children not described in subparagraph (A) who receive child care services provided by center-based child care providers, and

(3) to provide assistance to eligible child care providers to achieve the developmentally appropriate child-per-caregiver ratios established by a national association that accredits child care providers and that is recognized by the Secretary,

(4) in the aggregate amount of $1,000,000 or 5 percent of such grant, whichever is less, to make grants to persons on a competitive basis, established by the Secretary by rule, to be used for improvements and startup costs (as defined by the Secretary by rule) incurred to become eligible childcare providers,

(5) to pay costs incurred to obtain comprehensive background checks required by section 102(a)(1)(A),

(6) to increase payment rates to providers who serve children under the Child Care and Development Block Grant Act of 1990 and, at the option of the State, to require providers to seek accreditation or otherwise enhance the quality of their child care

services as a condition of receiving increased payment rates,

(7) to expand activities to educate parents on the availability and quality of child care, including the development and operation of resource and referral systems, and

(8) to improve the availability and quality of child care services for children with special needs, including special needs relating to health and disabilities.

SEC. 102. ELIGIBILITY.

(a) APPLICATION REQUIRED FOR ALL FISCAL YEARS.—To be eligible to receive a grant under section 101 for a fiscal year, and subject to subsection (b), a State shall submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may require by rule, including the following:

(1) A certification that there is in effect in such State, and that the State maintains a mechanism to enforce, a requirement that—

(A) each center-based child care provider, and each group home child care provider, in such State obtain from such State, or from an entity of local government designated by such State, a preemployment criminal background check of each individual subsequently employed by such provider to provide child care services, and

(B) such State, or such entity, conduct criminal background checks requested for the purpose of complying with subparagraph (A), at a cost to child care providers that does not exceed $50 or 50 percent of the cost of conducting each such check, whichever is less.

(2) A certification that there is in effect in such State, and that such State enforces, a requirement that an entity of State or local government—

(A) inspect center-based child care providers at least semiannually, group home child care providers at least annually, and family child care providers at least biennially; and

(B) periodically inspect all other child care providers;

for compliance with the health and safety requirements applicable to such providers under State law.

(3) A certification that there is in effect in such State, and that such State enforces, a requirement that all caregivers who provide child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42

U.S.C. 9858 et seq.), receive training in providing medical first aid.

(4) A certification that there is in effect in such State, and that such State enforces, a requirement that caregivers who are, or are employed by, child care providers who provide child care services for compensation have specific minimum training as determined and provided by the lead agency.

(5) A certification that there is in effect in such State, and that such State enforces, a requirement that all child care providers in such State who provide child care services for compensation obtain from the parents (or legal guardians) of the children who receive such services information regarding whether such children have received age-appropriate immunizations in accordance with the then current immunization recommendations issued by the Centers for Disease Control and Prevention.

(6) A certification that there is in effect in such State, and that such State enforces, a requirement that specifies developmentally appropriate child-per-caregiver ratios applicable to center-based child care providers in such State.

(7) An assurance that such State will comply with the requirements of this subtitle applicable with respect to such grant.

(8) A certification that such State complies with section 658E(c)(4)(A) of the Child Care and Development Block Grant Act (42 U.S.C. 9858c(c)(4)(A)).

(9) An assurance that the State will not reduce or remove any requirement applicable to child care providers, that exceeds any requirement applicable under this title.

(b) ADDITIONAL REQUIREMENT FOR SUBSEQUENT FISCAL YEARS.—A State that receives a grant under this subtitle for a fiscal year and that applies for a grant under this subtitle for a subsequent fiscal year shall include in the application information in such form as the Secretary may require by rule, that demonstrates to the satisfaction of the Secretary that in the most recent fiscal year for which such State received a grant under this title such State enforced the requirements certified under section 102 by such State.

SEC. 103. ALLOTMENT OF FUNDS FOR GRANTS.

(a) FORMULA FOR ALLOTMENTS.—Funds appropriated for a fiscal year to carry out this subtitle shall be allotted among the States based on the formula used for determining payments to States under section 403(n) of the Social Security Act as in effect before October 1, 1995.

(b) REALLOTMENTS.—Any portion of an allotment made under subsection (a) that the Secretary determines will not be used for grants to a State shall be reallotted to other States in proportion to the original allotments to such other States.

(c) GRANTS.—Grants made under section 101 to a State shall be made from funds allotted or reallotted under this section to such State.

Subtitle B—Grants to Business Consortia

SEC. 151. AUTHORITY MAKE GRANTS.

(a) IN GENERAL.—The Secretary shall make grants to States to be used to provide grants to eligible entities described in subsection (b) to assist such entities to improve access to affordable, local, quality child care services.

(b) ELIGIBLE ENTITIES DESCRIBED.—

(1) IN GENERAL.—An eligible entity described in this subsection is a consortium that—

(A) shall consist of representatives from not fewer than 5 businesses (or a nonprofit organization that represents not fewer than 5 businesses); and

(B) has not received a grant under this title.

(2) ADDITIONAL REQUIREMENT.—To the maximum extent practicable, each business or organization that forms an eligible entity under paragraph (1) shall be located in the same geographic region of the United States.

(c) PRIORITY FOR SMALL BUSINESSES.—In providing grants under subsection (a), a State shall give priority to eligible entities that consist of a majority of representatives from small businesses.

(d) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity under subsection (a) may not exceed $50,000 for any fiscal year.

SEC. 152. APPLICATION.

The Secretary may not provide a grant under section 151 to an eligible entity unless such entity submits to the Secretary an application that contains—

(1) a proposal to use such grant for the purposes specified in section 101 (including the purposes specified by the Secretary by rule) to provide quality child care services; and

(2) such information as the Secretary may reasonably require by rule.

SEC. 153. USE OF AMOUNTS.

(a) IN GENERAL.—The Secretary may not provide a grant under section 151 to an eligible entity unless such entity agrees to use such grant to initiate a quality, affordable, local child care program that carries out the proposal included in the application submitted under section 152 by such entity.

(b) CONDUCT OF PROGRAM.—In carrying out the program described in subsection (a), the eligible entity may—

(1) establish a board of directors to oversee the program; and

(2) provide child care services on a sliding fee scale that provides for cost sharing by the families of the children who receive such services.

(c) ADMINISTRATIVE COSTS.—The eligible entity may use not more than 15 percent of the amount of a grant to pay for administrative costs associated with the program described in subsection (a).

SEC. 154. REQUIREMENT OF MATCHING FUNDS.

The Secretary may not provide a grant under section 151 to an eligible entity unless such entity agrees that—

(1) it will make available non-Federal contributions toward the costs of carrying out a program under section 153 in an amount that is not less than $1 for each $1 of Federal funds provided under a grant under section 151; and

(2) of such non-Federal contributions, not less than $1 of each such $2 shall be from businesses participating in the eligible entity.

Subtitle C—General Provisions

SEC. 191. DEFINITIONS.

For purposes of this title:

(1) CAREGIVER.—The term "caregiver" has the meaning given such term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(2) ELIGIBLE CHILD CARE PROVIDER.—The term "eligible child care provider" has the meaning given such term in section 658P of the of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

(3) LEAD AGENCY.—The term "lead agency" has the meaning given such term in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

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

(5) STATE.—The Term "State" has the meaning given such term in section 658P of the of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

SEC. 192. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS FOR SUBTITLE A.—There is authorized to be appropriated for fiscal years 1999, 2000, 2001, 2002, and 2003 to carry out subtitle A $5,000,000,000 in the aggregate.

(b) AUTHORIZATION OF APPROPRIATIONS FOR SUBTITLE B.—There is authorized to be appropriated for each of the fiscal years 1999, 2000, 2001, 2002, and 2003 to carry out subtitle B an amount equal to $100,000,000 or 10 percent of the amount appropriated under subsection (a) for the respective fiscal year, whichever is less.

TITLE II—CHILD CARE STANDARDS ENFORCEMENT

SEC. 201. AUTHORITY TO MAKE GRANTS FOR CHILD CARE STANDARDS ENFORCEMENT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(1) by inserting "(a) CONSUMER EDUCATION.—" before "A State"; and

(2) by adding at the end the following:

"(b) CHILD CARE STANDARDS ENFORCEMENT.—

"(1) STATE PLAN REQUIREMENT.—To be eligible to receive payments under section 658J(b)(3), a State shall include in the State plan under section 658E—

"(A) a child care standards enforcement plan that describes the activities the State will carry out, directly or indirectly, with funds allotted to the State from amounts appropriated under section 658C, which may include—

"(i) initiatives to increase the number of qualified staff engaged in licensing child care providers and in enforcing licensing, health, safety, and other applicable standards;

"(ii) increasing monitoring and enforcement activities, including unannounced inspections; and

"(iii) other activities designed to ensure that child care providers comply with applicable standards;

"(B) an assurance that the State will not reduce or remove any of such standards applicable to child care providers under this subchapter; and

"(C) assurances that payments received by the State under section 658J(b)(3) will not be used to supplant Federal or non-Federal funds for existing services and activities which promote the purposes of this subsection.".

(b) AUTHORIZATION OF APPROPRIATIONS FOR CHILD CARE STANDARDS ENFORCEMENT.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended—

(1) by inserting "(a) GENERAL AUTHORIZATION OF APPROPRIATIONS.—" before "There",

(2) by inserting "(other than section 658G(b))" after "subchapter", and

(3) by adding at the end the following:

"(b) AUTHORIZATION OF APPROPRIATIONS FOR CHILD CARE STANDARDS ENFORCEMENT.—There is authorized to be appropriated to carry out section 658G(b) $100,000,000 for each of the fiscal years 1999, 2000, 2001, 2002, and 2003.".

(c) PAYMENTS.—Section 658J of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9358h) is amended—

(1) in subsection (a) by inserting "and subsection (b)(3)" after "appropriations"; and

(2) in (b) by adding at the end the following:

"(3) PAYMENTS FOR CHILD CARE STANDARDS ENFORCEMENT.—If a State plan contained in an application approved under section 658E includes the provisions required by section 658G(b) applicable to a fiscal year, then such State shall be entitled to a payment under this section equal to the amount such State expended to carry out such provisions or the amount allotted to such State under section 658O from funds appropriated under section 658B(b) for such fiscal year, whichever is less.".

(d) ANNUAL REPORT.—Section 658K(a)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i(a)(2)) is amended—

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

(2) in subparagraph (E) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(H) enforcement of child care quality and safety standards, including data, by type of provider, on—

"(i) the number of facilities inspected (and the number of facilities receiving more than 1 inspection);

"(ii) the numbers and types of deficiencies identified (and the numbers of serious deficiencies presenting risks to health or safety); and

"(iii) such other data as the Secretary may require.".

TITLE III—LOAN DEFERRAL

SEC. 301. STUDENT LOAN DEFERRAL FOR CHILD CARE PROVIDERS.

(a) FEDERALLY INSURED LOANS.—Section 427(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C.1077(a)(2)(C)) is amended—

(1) by striking "or" at the end of clause (ii);

(2) by inserting "or" after the semicolon at the end of clause (iii); and

(3) by inserting after clause (iii) the following new clause:

"(iv) not in excess of 2 years throughout which a borrower who holds a degree in early childhood education or a related discipline, and is a licensed child care provider, provides child care services not less than 30 hours per week for compensation as a child care provider or as an employee of a child care provider, and for purposes of this clause a borrower shall be considered to have a degree in early childhood education or a related discipline if the degree prepares individuals to provide care and education to groups of children younger than school-age, or to groups of school age children during out-of-school periods;".

(b) FEDERALLY GUARANTEED LOANS.—Section 428(b)(1)(M) of the Higher Education Act of 1965 (20 U.S.C.1078(b)(1)(M)) is amended—

(1) by striking "or" at the end of clause (ii);

(2) by inserting "or" after the semicolon at the end of clause (iii); and

(3) by inserting after clause (iii) the following new clause:

"(iv) not in excess of 2 years throughout which a borrower who holds a degree in early childhood education or a related discipline, and is a licensed child care provider, provides child care services not less than 30 hours per week for compensation as a child care provider or as an employee of a child care provider, and for purposes of this clause a borrower shall be considered to have a degree in early childhood education or a related discipline if the degree prepares individuals to provide care and education to groups of children younger than school-age, or to groups of school age children during out-of-school periods;".

(c) FEDERAL DIRECT STUDENT LOANS.—Section 455(f)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087e(f)(1)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) not in excess of 2 years throughout which a borrower who holds a degree in early childhood education or a related discipline, and is a licensed child care provider, provides child care services not less than 30 hours per week for compensation as a child care provider or as an employee of a child care provider, and for purposes of this subparagraph, a borrower shall be considered to have a degree in early childhood education or a related discipline if the degree prepares individuals to provide care and education to groups of children younger than school-age, or to groups of school age children during out-of-school periods;".

TITLE IV—RESEARCH AND DEMONSTRATIONS

SEC. 401. AUTHORITY TO MAKE GRANTS FOR RESEARCH AND DEMONSTRATIONS.

(a) AUTHORITY.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b et seq.) is amended by adding at the end the following:

"SEC. 658T. RESEARCH AND DEMONSTRATIONS.

"(a) IN GENERAL.—The Secretary may, either directly or through grants, contracts, or other arrangements, carry out research, demonstration projects, and other activities relating to child care services, including activities designed to improve the quality and increase the availability of child care services.

"(b) ALLOWABLE ACTIVITIES.—Activities referred to in subsection (a) may include the following:

"(1) RESEARCH ON CHILD CARE NEEDS OF LOW-INCOME FAMILIES.—Research designed to identify and overcome barriers restricting availability, affordability, and quality of child care for low-income families.

"(2) DEMONSTRATIONS OF TECHNOLOGY-BASED EDUCATION AND TRAINING.—Demonstration projects testing use of remote site and interactive computer technology to provide education and training to child care providers and parents.

"(3) DEMONSTRATION PROJECTS FOR NEW METHODS.—Demonstration projects addressing the particular child care needs of certain parents, such as stay-at-home parents of newborns or newly adopted children, low-income families, single parents, and parents of children with special needs.

"(4) NATIONAL CENTER ON CHILD CARE STATISTICS.—Establishment and operation of a National Center on Child Care Statistics for the collection and dissemination of data and information on child care.

"(5) HOTLINE AND CONSUMER EDUCATION.—Establishment and operation of a hotline to assist parents to locate their local child care resource and referral agency and public education activities to assist parents in becoming informed consumers of quality child care.".

(b) AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH AND DEMONSTRATIONS.—

(1) AUTHORIZATION.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858), as amended by section 201, is amended by adding at the end the following:

"(c) AUTHORIZATION OF APPROPRIATIONS FOR RESEARCH AND DEMONSTRATIONS.—There is authorized to be appropriated to carry out section 658T $30,000,000 for each of the fiscal years 1999, 2000, 2001, 2002, and 2003.".

(2) TECHNICAL AMENDMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(A) in subsection (a)—

(i) in paragraph (1) by inserting "(other than funds appropriated under section 658B(c))" after "subchapter", and

(ii) in paragraph (2) by inserting "(other than subsection (c) of such section)" after "section 658(B)", and

(B) in subsection (b) by inserting "(other than subsection (c) of such section)" after "section 658(B)".

(c) REPORT TO CONGRESS.—Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended by inserting "and progress on development of research and demonstration projects carried out under section 658T" after "section 658K".

TITLE V—AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990

SEC. 501. CERTIFICATION RELATING TO PAYMENT RATES.

(a) AMENDMENT.—Section 658E(c)(4)(A) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(4)(A)) is amended by inserting "(based on a survey of the cost of child care services in local markets throughout the State, conducted not more than 2 years before the date the application is submitted under subsection (a))" after "sufficient".

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall not apply with respect to applications submitted for fiscal years beginning before the date of the enactment of this Act.

SEC. 502. AUTHORIZATION OF APPROPRIATIONS.

Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended by striking "2002" and inserting "1998, and

$2,000,000,000 for each of the fiscal years 1999, 2000, 2001, 2002, and 2003".

TITLE VI—CHILD AND ADULT FOOD PROGRAM

SEC. 601. REVISION OF REIMBURSEMENT RATES FOR FAMILY OR GROUP DAY CARE HOMES UNDER THE CHILD AND ADULT CARE FOOD PROGRAM UNDER THE NATIONAL SCHOOL LUNCH ACT.

(a) IN GENERAL.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended—

(1) in subparagraph (A)(iii)(I)—

(A) in division (aa), by striking "95 cents for lunches and suppers, 27 cents for breakfasts, and 13 cents for supplements" and inserting "$1.03 for lunches and suppers, 38 cents for breakfasts, and 18 cents for supplements"; and

(B) in division (bb), by striking "1997" and inserting "1998"; and

(2) in the second sentence of subparagraph (B), by inserting after "Such levels" the following: "shall be those levels in effect on June 30, 1998, increased by $2.00 per home and".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on June 30, 1998, or the date of the enactment of this Act, whichever is later.

TITLE VII—SENSE OF THE CONGRESS

SEC. 701. SENSE OF THE CONGRESS.

It is the sense of the Congress that funds should be appropriated under the amendments made by this Act to the maximum extent authorized and consistently with achieving a balanced Federal budget.

DATE: 4-10-98

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 INDEPENDENCE AVE., SW
WASHINGTON, D.C. 20201

PHONE: (202) 690-6311 FAX: (202) 690-8425

OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION
HUMAN SERVICES LEGISLATION
ROOM 413 H HUMPHREY BUILDING

TO	: Jen Klein / Nicole Rabner / Neera Tanden	**FROM:**
		[ ] MARY M. BOURDETTE
OFFICE	:	[ ] BARBARA P. CLARK
		[ ] GREG JONES
ROOM NO	:	[ ] PATRICIA BRAVO
PHONE NO	:	[X] AMY LOCKHART
FAX NO	: 456-2878	[ ] LAUREN GRIFFIN
		[ ] LULA BARNES
TOTAL PAGES INCLUDING COVER)	: 8	

REMARKS: Following are the Sense of the Senate included in the McCain tobacco bill, as well as the Kerry language - both pertaining to Child care - that were discussed on yesterday's Conference call. If we get better copies I'll pass them along.

McCain

SENATE COMMERCE COMMITTEE AMENDMENTS
TO S. 1415
APRIL 1, 1998

Amendment offered by	Subject	Result
Burns	Bans the sale of tobacco products through vending machines with compensation	approved by voice
Hutchinson	Manufacturers who must share technology w/ competitors are compensated	approved by voice
Hutchinson	Requires Congressional Review of FDA regulations	set aside for additional work (see pg. 3)
Ford	Strengthens the ban on FDA authority to regulate farmers	approved by voice
Snowe	Codifies advertising and marketing restrictions that are reached by agreements	defeated [5-14]
Frist	Establishes a compliance bonus fund for states and retailers & repeals Synar Amend.	approved by voice
Ford	Eliminates brand-specific penalties on brands with de minimis youth market shares	set aside
Ford	Re-labeled two charts to indicate they refer to percentage reductions of percentage bases	approved by voice
Wyden	Requires company-based look back provisions	withdrawn
Burns	Establishes a Black Lung Disability Trust Fund with tobacco funds	withdrawn
Snowe	Sense of the Senate: Distribution of funds	approved by voice
Hutchinson	Requires funds be distributed in accordance with state law	withdrawn
Ashcroft	Extends liability protections to volunteer organizations	defeated by voice
Ashcroft	Sets legal standards and procedures for raw materials producers	defeated [3-13]
Ashcroft	Establishes legal standards for product liability legislation	defeated [2-16]

Amendment offered by	Subject	Result
Ashcroft	Eliminates liability caps/Strike Title VII	defeated [2-16]
Ford	Reduces annual payments to those contained in the President's budget	defeated [4-13]
Ford	Limits annual payments to $506 billion over 25 years	set aside
Ashcroft	Strikes Title 7, which defines liability protections	defeated [2-16]
Dorgan	Excludes punitive damage awards from liability limitation caps	defeated [4-15]
Kerry	Allows states to use their own funds to supplement federal child care program	approved by voice
Kerry	Requires industry payments that would equal $1.50 per pack	defeated by voice
Ford	Eliminates requirement for up-front penalty payment of $10 billion	defeated [1-14]
Wyden	Strikes provision to allow states to opt out of ETS relief requirements	defeated by voice
Rockefeller	Sense of the Senate - VA should be reimbursed for costs of treating tobacco related diseases	approved by voice
Gorton	Limits definition of Indian Tribes	approved by voice
Gorton	Requires Indian Tribes to collect federal and state tobacco tax	approved [10-9]
Breaux	Permits claimants to be paid by insurance companies if manufacturer cannot pay a claim	approved by voice
Hutchinson	Permits states that have reached separate settlements with tobacco companies to opt in to the global settlement	approved by voice

Amendment offered by	Subject	Result
Brownback	Limits attorneys' fees to $250/hour	withdrawn
Dorgan	Establishes and funds a Trust Fund for Health Research at NIH	defeated by voice
Dorgan	Strikes antitrust exemption	defeated [4-15]
Inouye	Establishes but does not fund an Asbestos Trust Fund	approved by voice
Hutchinson	Affirms that Congressional review of regulations applies	approved by voice
Hutchinson	Deems current FDA regulations in effect, but does not affect regulation in litigation	defeated by voice
Ford	Changes fee schedule for small smokeless tobacco companies	approved by voice
Ford	Applies existing penalties related to FDA if documents are released from depository	approved by voice

Approve voice vote

Snowe

SEC.1181.SENSE OF THE SENATE

It is the Sense of the Senate that the proceeds of this Act may be used for purposes including, but not limited to -

(1) reimbursing public health care financing programs for tobacco-related costs, including Medicare;

(2) supporting tobacco use prevention and cessation, particularly with respect to youth, including counter-advertising at the Federal, State, Tribal, and local level;

(3) supporting tobacco-related health research activities;

(4) assisting tobacco farmers and tobacco dependent communities;

(5) creating and fully and adequately funding a Tobacco Asbestos Trust to assist victims of the unique harm that smoking causes to asbestos workers;

(6) settling with and reimbursing States for tobacco-related health care costs and damages, including Medicaid; and,

(7) providing funding for the federal Black Lung Program.

(8) Child care development

Where's Kerry's child care?

Vets
Clinical trials
Child medicaid eligibility

O:\BAI\BAI98.837

McCain / same language as Conrad

S.L.C.

voice vote agreed

AMENDMENT NO. ____ Calendar No. ____

Purpose: To provide funds for certain child care programs.

IN THE SENATE OF THE UNITED STATES—105th Cong., 2d Sess.

S. 1415

To facilitate implementation of the settlement reached between the Attorneys General of the several States and manufacturers of tobacco products, and for other purposes.

Referred to the Committee on ______________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. KERRY

Viz:

In title IV—

(1) after the title heading insert the following:

“Subtitle A—General Payment Provisions”; and

(2) add the following at the end thereof:

Subtitle B—General Spending Provisions

SEC. 411. IMPROVING CHILD CARE AND EARLY CHILDHOOD DEVELOPMENT.

(a) IN GENERAL.—The Trustees of the Trust Fund shall transfer funds for each fiscal year to be used by the Secretary for the following purposes:

(1) Improving the affordability of child care through increased appropriations for child care under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

(2) Enhancing the quality of child care and early childhood development through the provision of grants to States under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

(3) Expanding the availability and quality of school-age care through the provision of grants to States under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

(4) Assisting young children by providing grants to local collaboratives under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) for the purpose of improving parent education and supportive services, strength-

ening the quality of child care, improving health services, and improving services for children with disabilities.

(b) SUPPLEMENT NOT SUPPLANT.—Amounts made available to a State under this section shall be used to supplement and not supplant other Federal, State and local funds provided for programs that serve the health and developmental needs of children. Amounts provided to the State under any of the provisions of law referred to in this section shall not be reduced solely as a result of the availability of funds under this section.

The Model States Child Care Enhancement Act of 1998

1. Model States:

Model States would be states which improve the quality, safety, and availablity of child care. The funding for the Model State program would be made available under an enhanced Child Care and Development Block Grant (CCDBG) funding stream. Currently, funding under CCDBG is granted to states in three funding streams; discretionary funding and two forms of entitlement funding. The Model State program would be supported by an additional, fourth funding stream, funded at $1 billion a year (costing $5 billion over five years), provided to states upon compliance with the below outlined quality, health and safety assurance measures for state- or federally-funded child care providers:

a. Comprehensive background checks on all providers prior to employment;
b. Semi-annual monitoring of child care centers and providers by an accountable agency;
c. Certification in CPR/First Aid for all child care center and in-home providers;
d. Required age-appropriate immunization for all children in homes or centers;
f. A law requiring age-appropriate child-provider ratios in child care centers and in-home providers; and
g. A law requring minimum training for all child care center and in-home providers.

That additional funding would also be used to:

- increase the number and quality of child care providers through a state-run program of continued subsidization of student loans while individuals are employed as child care providers in centers which meet the above mentioned specifications as well as any state-licensing requirements;
- create a competitive grants program (using a minimum of $1 million per state of the above provided money) to assist with start up costs and improvement of not-for-profit child care centers and homes; and,
- create or expand state-run public/private partnership programs to encourage business to take a larger role in the child care needs of their employees through the establishment of community-based, business-supported childcare centers.
- provide state-funded background checks.
- improve training of child care providers
- Improve staff-child ratios

2. Working Poor:

Currently, the CCDBG provides approximately $1 billion to the states for discretionary child care assistance. As states work to move more families from welfare to work, many believe this sum is insufficient to assist the newly working parents as well as the working poor. The bill would double the double the discretionary funding to $2 billion each year (costing $5 billion over five years).

3. Child and Adult Food Program:

Before passage of the 1996 Welfare Reform bill, the Child and Adult Food Program provided subsidies, much like the School Lunch Program, for meals and snacks served by child care centers and in-home providers. Since 1996, this program now assists only those in-home programs with the neediest populations, leaving many providers serving low-income communities without sufficient funds. Our bill would increase the authorization of the Child and Adult Food Program to previous levels (costing approximately $2 billion over 5 years).

[DISCUSSION DRAFT]

MARCH 16, 1998

105TH CONGRESS
2D SESSION

H. R. ____

IN THE HOUSE OF REPRESENTATIVES

Mrs. TAUSCHER introduced the following bill; which was referred to the Committee on ____________________

A BILL

To authorize the Secretary of Health and Human Services to make block grants to States for purposes of improving the quality of child care services and making grants to business consortia to provide quality child care services; and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Model States Child Care Enhancement Act of 1998".

TITLE I—GRANTS TO MODEL STATES

Subtitle A—Grants To Improve the Quality of Child Care Services

SEC. 101. AUTHORITY TO MAKE GRANTS.

The Secretary may make grants in accordance with this subtitle to eligible States to improve the quality of child care services, to be used by such States for purposes the Secretary shall specify by rule, including—

(1) to provide training, beyond the training described in section 102, to individuals who are caregivers who are, or are employed by, child care providers who provide child care services for compensation,

(2) to require, and to provide, age-appropriate immunization in accordance with the then current immunization recommendations issued by the Centers for Disease Control and Prevention to—

(A) children who receive child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858–658S), and

(B) children not described in subparagraph (A) who receive child care services provided by center-based child care providers, and

[(3) to provide assistance to eligible child care providers to achieve the age-appropriate child-per-caregiver ratios established by a national association that accredits child care providers and that is recognized by the Secretary,]

(4) in the aggregate amount of $1,000,000 or 5 percent of such grant, whichever is less, to make grants to persons on a competitive basis, established by the Secretary by rule, to be used for improvements and startup costs (as defined by the Secretary by rule) incurred to become eligible childcare providers, and

(5) to pay costs incurred to obtain criminal background checks required by section 102(a)(1)(A).

SEC. 102. ELIGIBILITY.

(a) APPLICATION REQUIRED FOR ALL FISCAL YEARS.—To be eligible to receive a grant under section 101 for a fiscal year, and subject to subsection (b), a State shall submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may require by rule, including the following:

(1) A certification that there is in effect in such State, and that the State enforces, a requirement that—

(A) each center-based child care provider, and each group home child care provider, in such State obtain from such State, or from an entity of local government designated by such State, a preemployment criminal background check of each individual subsequently employed by such provider to provide child care services, and

(B) such State, or such entity, conduct without charge to child care providers, criminal background checks requested for the purpose of complying with subparagraph (A).

(2) A certification that there is in effect in such State, and that such State enforces, a requirement that an entity of State or local government periodically inspect all child care providers for compliance with the health and safety requirements applicable to such providers under State law.

(3) A certification that there is in effect in such State, and that such State enforces, a requirement that all caregivers who provide child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858–658S), receive training in providing medical first aid.

(4) A certification that there is in effect in such State, and that such State enforces, a requirement that caregivers who are, or are employed by, child care providers who provide child care services for compensation have specific minimum training.

(5) A certification that there is in effect in such State, and that such State enforces, a requirement that all child care providers [(other than family based child care providers)] in such State who provide child care services for compensation obtain from the parents (or legal guardians) of the children who receive such services information regarding whether such children have received age-appropriate immunizations in accordance with the then current immunization recommendations issued by the Centers for Disease Control and Prevention.

(6) A certification that there is in effect in such State, and that such State enforces, a requirement that specifies age-appropriate child-per-caregiver ratios applicable to center-based child care providers in such State.

(7) An assurance that such State will comply with the requirements of this subtitle applicable with respect to such grant.

(b) ADDITIONAL REQUIREMENT FOR SUBSEQUENT FISCAL YEARS.—A State that receives a grant under this subtitle for a fiscal year and that applies for a grant under this subtitle for a subsequent fiscal year shall include in the application information in such form as the Secretary may require by rule, that demonstrates to the satisfaction of the Secretary that in the most recent fiscal year for which such State received a grant under this title such State enforced the requirements certified under section 102 by such State.

SEC. 103. ALLOTMENT OF FUNDS FOR GRANTS.

(a) FORMULA FOR ALLOTMENTS.—Funds appropriated for a fiscal year to carry out this subtitle shall be allotted among the States based on the formula used for determining payments to States under section 403(n) of the Social Security Act as in effect before October 1, 1995.

(b) REALLOTMENTS.—Any portion of an allotment made under subsection (a) that the Secretary determines will not be used for grants to a State shall be reallotted to other States in proportion to the original allotments to such other States.

(c) GRANTS.—Grants made under section 101 to a State shall be made from funds allotted or reallotted under this section to such State.

Subtitle B—Grants to Business Consortia

SEC. 151. AUTHORITY MAKE GRANTS.

(a) IN GENERAL.—The Secretary, acting through the Administration on Children, Youth, and Families, shall provide grants to eligible entities described in subsection (b) to assist such entities to improve access to affordable, local, quality child care services.

(b) ELIGIBLE ENTITIES DESCRIBED.—

(1) IN GENERAL.—An eligible entity described in this subsection is a consortium that—

(A) shall consist of representatives from not fewer than 5 businesses (or a nonprofit organization that represents not fewer than 5 businesses); and

(B) has not received a grant under this title.

(2) ADDITIONAL REQUIREMENT.—To the maximum extent practicable, each business or organization that forms an eligible entity under paragraph (1) shall be located in the same geographic region of the United States.

(c) PRIORITY FOR SMALL BUSINESSES.—In providing grants under subsection (a), the Secretary shall give priority to eligible entities that consist of a majority of representatives from small businesses.

(d) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity under subsection (a) may not exceed $50,000 for any fiscal year.

SEC. 152. APPLICATION.

The Secretary may not provide a grant under section 151 to an eligible entity unless such entity submits to the Secretary an application that contains—

(1) a proposal to use such grant for the purposes specified in section 101 (including the purposes specified by the Secretary by rule) to provide quality child care services; and

(2) such information as the Secretary may reasonably require by rule.

SEC. 153. USE OF AMOUNTS.

(a) IN GENERAL.—The Secretary may not provide a grant under section 151 to an eligible entity unless such entity agrees to use such grant to initiate a quality, affordable, local child care program that carries out the proposal included in the application submitted under section 152 by such entity.

(b) CONDUCT OF PROGRAM.—In carrying out the program described in subsection (a), the eligible entity may—

(1) establish a board of directors to oversee the program; and

(2) provide child care services on a sliding fee scale that provides for cost sharing by the families of the children who receive such services.

(c) ADMINISTRATIVE COSTS.—The eligible entity may use not more than 15 percent of the amount of a grant to pay for administrative costs associated with the program described in subsection (a).

SEC. 154. REQUIREMENT OF MATCHING FUNDS.

The Secretary may not provide a grant under section 151 to an eligible entity unless such entity agrees that—

(1) it will make available non-Federal contributions toward the costs of carrying out a program under section 153 in an amount that is not less than $2 for each $1 of Federal funds provided under a grant under section 151; and

(2) of such non-Federal contributions, not less than $1 of each such $2 shall be from businesses participating in the eligible entity.

Subtitle C—General Provisions

SEC. 191. DEFINITIONS.

For purposes of this title:

(1) CAREGIVER.—The term "caregiver" means an individual who provides a service directly to a

child, a child care provider or an employee of a child care provider, on a person-to-person basis.

(2) ELIGIBLE CHILD CARE PROVIDER.—The term "eligible child care provider" has the meaning given such term in section 658P of the of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

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

(4) STATE.—The Term "State" has the meaning given such term in section 658P of the of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

SEC. 192. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS FOR SUBTITLE A.—There is authorized to be appropriated for fiscal years 1999, 2000, 2001, 2002, and 2003 to carry out subtitle A $5,000,000,000 in the aggregate.

(b) AUTHORIZATION OF APPROPRIATIONS FOR SUBTITLE B.—There is authorized to be appropriated for each of the fiscal years 1999, 2000, 2001, 2002, and 2003 to carry out subtitle B an amount equal to $100,000,000 or 10 percent of the amount appropriated under subsection (a) for the respective fiscal year, whichever is less.

TITLE II—LOAN DEFERRAL

SEC. 201. STUDENT LOAN DEFERRAL FOR CHILD CARE PROVIDERS.

(a) FEDERALLY INSURED LOANS.—Section 427(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C.1077(a)(2)(C)) is amended—

(1) by striking "or" at the end of clause (ii);

(2) by inserting "or" after the semicolon at the end of clause (iii); and

(3) by inserting after clause (iii) the following new clause:

"(iv) not in excess of 2 years throughout which a borrower who holds a degree in early childhood education or a related discipline provides child care services not less than 30 hours per week for compensation as a child care provider or as an employee of a child care provider;".

(b) FEDERALLY GUARANTEED LOANS.—Section 428(b)(1)(M) of the Higher Education Act of 1965 (20 U.S.C.1078(b)(1)(M)) is amended—

(1) by striking "or" at the end of clause (ii);

(2) by inserting "or" after the semicolon at the end of clause (iii); and

(3) by inserting after clause (iii) the following new clause:

"(iv) not in excess of 2 years throughout which a borrower who holds a degree in early childhood education or a related discipline provides child care services not less than 30 hours per week for compensation as a child care provider or as an employee of a child care provider;".

TITLE III—AMENDMENT TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended by striking "2002" and inserting "1998, and $2,000,000,000 for each of the fiscal years 1999 through 2003".

TITLE IV—CHILD AND ADULT FOOD PROGRAM.

SEC. 401. REVISION OF REIMBURSEMENT RATES FOR FAMILY OR GROUP DAY CARE HOMES UNDER THE CHILD AND ADULT CARE FOOD PROGRAM UNDER THE NATIONAL SCHOOL LUNCH ACT.

(a) DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by striking "(3) REIMBURSEMENT" and all that follows through the end of subparagraph (A) and inserting the following:

"(3)(A) Institutions that participate in the program under this section as family or group day care home sponsoring organizations shall be provided, for payment to such homes, a reimbursement factor set by the Secretary for the cost of obtaining and preparing food and prescribed labor costs, involved in providing meals under this section, without a requirement for documentation of such costs, except that reimbursement shall not be provided under this subparagraph for meals or supplements served to the children of a person acting as a family or group day care home provider unless such children meet the eligibility standards for free or reduced price meals under section 9 of this Act. The reimbursement factor under this subparagraph shall be the reimbursement factor as in effect on June 30, 1997. The reimbursement factor shall be adjusted on July 1 of each year to reflect changes in the Consumer Price Index for food away from home for the most recent 12-month period for which such data are available. The reimbursement factor under this subparagraph shall be rounded to the nearest one-fourth cent.".

(b) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of such Act (42 U.S.C. 1766(f)(3)) is amended by striking subparagraph (D).

(c) PROVISION OF DATA.—Section 17(f)(3) of such Act (42 U.S.C. 1766(f)(3)) is amended by striking subparagraph (E).

(d) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—Section 708 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by striking subsection (l).

(e) CONFORMING AMENDMENTS.—Section 17(c) of such Act (42 U.S.C. 1766(f)) is amended by striking "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION.—The amendments made by subsections (a) and (e) shall take effect on July 1, 1998, or the date of the enactment of this Act, whichever occurs later.

[DISCUSSION DRAFT]

MARCH 16, 1998

105TH CONGRESS
2D SESSION

H. R. ____

IN THE HOUSE OF REPRESENTATIVES

Mrs. TAUSCHER introduced the following bill; which was referred to the Committee on ______________

A BILL

To authorize the Secretary of Health and Human Services to make block grants to States for purposes of improving the quality of child care services and making grants to business consortia to provide quality child care services; and for other purposes.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Model States Child Care Enhancement Act of 1998".

TITLE I—GRANTS TO MODEL STATES

Subtitle A—Grants To Improve the Quality of Child Care Services

SEC. 101. AUTHORITY TO MAKE GRANTS.

The Secretary may make grants in accordance with this subtitle to eligible States to improve the quality of child care services, to be used by such States for purposes the Secretary shall specify by rule, including—

(1) to provide training, beyond the training described in section 102, to individuals who are caregivers who are, or are employed by, child care providers who provide child care services for compensation,

(2) to require, and to provide, age-appropriate immunization in accordance with the then current immunization recommendations issued by the Centers for Disease Control and Prevention to—

(A) children who receive child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858–658S), and

(B) children not described in subparagraph (A) who receive child care services provided by center-based child care providers, and

[(3) to provide assistance to eligible child care providers to achieve the age-appropriate child-per-caregiver ratios established by a national association that accredits child care providers and that is recognized by the Secretary,]

(4) in the aggregate amount of $1,000,000 or 5 percent of such grant, whichever is less, to make grants to persons on a competitive basis, established by the Secretary by rule, to be used for improvements and startup costs (as defined by the Secretary by rule) incurred to become eligible childcare providers, and

(5) to pay costs incurred to obtain criminal background checks required by section 102(a)(1)(A).

SEC. 102. ELIGIBILITY.

(a) APPLICATION REQUIRED FOR ALL FISCAL YEARS.—To be eligible to receive a grant under section 101 for a fiscal year, and subject to subsection (b), a State shall submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may require by rule, including the following:

(1) A certification that there is in effect in such State, and that the State enforces, a requirement that—

(A) each center-based child care provider, and each group home child care provider, in such State obtain from such State, or from an entity of local government designated by such State, a preemployment criminal background check of each individual subsequently employed by such provider to provide child care services, and

(B) such State, or such entity, conduct without charge to child care providers, criminal background checks requested for the purpose of complying with subparagraph (A).

(2) A certification that there is in effect in such State, and that such State enforces, a requirement that an entity of State or local government periodically inspect all child care providers for compliance with the health and safety requirements applicable to such providers under State law.

(3) A certification that there is in effect in such State, and that such State enforces, a requirement that all caregivers who provide child care services for which assistance is provided under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858–658S), receive training in providing medical first aid.

(4) A certification that there is in effect in such State, and that such State enforces, a requirement that caregivers who are, or are employed by, child care providers who provide child care services for compensation have specific minimum training.

(5) A certification that there is in effect in such State, and that such State enforces, a requirement that all child care providers [(other than family based child care providers)] in such State who provide child care services for compensation obtain from the parents (or legal guardians) of the children who receive such services information regarding whether such children have received age-appropriate immunizations in accordance with the then current immunization recommendations issued by the Centers for Disease Control and Prevention.

(6) A certification that there is in effect in such State, and that such State enforces, a requirement that specifies age-appropriate child-per-caregiver ratios applicable to center-based child care providers in such State.

(7) An assurance that such State will comply with the requirements of this subtitle applicable with respect to such grant.

(b) ADDITIONAL REQUIREMENT FOR SUBSEQUENT FISCAL YEARS.—A State that receives a grant under this subtitle for a fiscal year and that applies for a grant under this subtitle for a subsequent fiscal year shall include in the application information in such form as the Secretary may require by rule, that demonstrates to the satisfaction of the Secretary that in the most recent fiscal year for which such State received a grant under this title such State enforced the requirements certified under section 102 by such State.

SEC. 103. ALLOTMENT OF FUNDS FOR GRANTS.

(a) FORMULA FOR ALLOTMENTS.—Funds appropriated for a fiscal year to carry out this subtitle shall be allotted among the States based on the formula used for determining payments to States under section 403(n) of the Social Security Act as in effect before October 1, 1995.

(b) REALLOTMENTS.—Any portion of an allotment made under subsection (a) that the Secretary determines will not be used for grants to a State shall be reallotted to other States in proportion to the original allotments to such other States.

(c) GRANTS.—Grants made under section 101 to a State shall be made from funds allotted or reallotted under this section to such State.

Subtitle B—Grants to Business Consortia

SEC. 151. AUTHORITY MAKE GRANTS.

(a) IN GENERAL.—The Secretary, acting through the Administration on Children, Youth, and Families, shall provide grants to eligible entities described in subsection (b) to assist such entities to improve access to affordable, local, quality child care services.

(b) ELIGIBLE ENTITIES DESCRIBED.—

(1) IN GENERAL.—An eligible entity described in this subsection is a consortium that—

(A) shall consist of representatives from not fewer than 5 businesses (or a nonprofit organization that represents not fewer than 5 businesses); and

(B) has not received a grant under this title.

(2) ADDITIONAL REQUIREMENT.—To the maximum extent practicable, each business or organization that forms an eligible entity under paragraph (1) shall be located in the same geographic region of the United States.

(c) PRIORITY FOR SMALL BUSINESSES.—In providing grants under subsection (a), the Secretary shall give priority to eligible entities that consist of a majority of representatives from small businesses.

(d) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity under subsection (a) may not exceed $50,000 for any fiscal year.

SEC. 152. APPLICATION.

The Secretary may not provide a grant under section 151 to an eligible entity unless such entity submits to the Secretary an application that contains—

(1) a proposal to use such grant for the purposes specified in section 101 (including the purposes specified by the Secretary by rule) to provide quality child care services; and

(2) such information as the Secretary may reasonably require by rule.

SEC. 153. USE OF AMOUNTS.

(a) IN GENERAL.—The Secretary may not provide a grant under section 151 to an eligible entity unless such entity agrees to use such grant to initiate a quality, affordable, local child care program that carries out the proposal included in the application submitted under section 152 by such entity.

(b) CONDUCT OF PROGRAM.—In carrying out the program described in subsection (a), the eligible entity may—

(1) establish a board of directors to oversee the program; and

(2) provide child care services on a sliding fee scale that provides for cost sharing by the families of the children who receive such services.

(c) ADMINISTRATIVE COSTS.—The eligible entity may use not more than 15 percent of the amount of a grant to pay for administrative costs associated with the program described in subsection (a).

SEC. 154. REQUIREMENT OF MATCHING FUNDS.

The Secretary may not provide a grant under section 151 to an eligible entity unless such entity agrees that—

(1) it will make available non-Federal contributions toward the costs of carrying out a program under section 153 in an amount that is not less than $2 for each $1 of Federal funds provided under a grant under section 151; and

(2) of such non-Federal contributions, not less than $1 of each such $2 shall be from businesses participating in the eligible entity.

Subtitle C—General Provisions

SEC. 191. DEFINITIONS.

For purposes of this title:

(1) CAREGIVER.—The term "caregiver" means an individual who provides a service directly to a

child, a child care provider or an employee of a child care provider, on a person-to-person basis.

(2) ELIGIBLE CHILD CARE PROVIDER.—The term "eligible child care provider" has the meaning given such term in section 658P of the of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

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

(4) STATE.—The Term "State" has the meaning given such term in section 658P of the of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n).

SEC. 192. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION OF APPROPRIATIONS FOR SUBTITLE A.—There is authorized to be appropriated for fiscal years 1999, 2000, 2001, 2002, and 2003 to carry out subtitle A $5,000,000,000 in the aggregate.

(b) AUTHORIZATION OF APPROPRIATIONS FOR SUBTITLE B.—There is authorized to be appropriated for each of the fiscal years 1999, 2000, 2001, 2002, and 2003 to carry out subtitle B an amount equal to $100,000,000 or 10 percent of the amount appropriated under subsection (a) for the respective fiscal year, whichever is less.

TITLE II—LOAN DEFERRAL

SEC. 201. STUDENT LOAN DEFERRAL FOR CHILD CARE PROVIDERS.

(a) FEDERALLY INSURED LOANS.—Section 427(a)(2)(C) of the Higher Education Act of 1965 (20 U.S.C.1077(a)(2)(C)) is amended—

(1) by striking "or" at the end of clause (ii);

(2) by inserting "or" after the semicolon at the end of clause (iii); and

(3) by inserting after clause (iii) the following new clause:

"(iv) not in excess of 2 years throughout which a borrower who holds a degree in early childhood education or a related discipline provides child care services not less than 30 hours per week for compensation as a child care provider or as an employee of a child care provider;".

(b) FEDERALLY GUARANTEED LOANS.—Section 428(b)(1)(M) of the Higher Education Act of 1965 (20 U.S.C.1078(b)(1)(M)) is amended—

(1) by striking "or" at the end of clause (ii);

(2) by inserting "or" after the semicolon at the end of clause (iii); and

(3) by inserting after clause (iii) the following new clause:

"(iv) not in excess of 2 years throughout which a borrower who holds a degree in early childhood education or a related discipline provides child care services not less than 30 hours per week for compensation as a child care provider or as an employee of a child care provider;".

TITLE III—AMENDMENT TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended by striking "2002" and inserting "1998, and $2,000,000,000 for each of the fiscal years 1999 through 2003".

TITLE IV—CHILD AND ADULT FOOD PROGRAM.

SEC. 401. REVISION OF REIMBURSEMENT RATES FOR FAMILY OR GROUP DAY CARE HOMES UNDER THE CHILD AND ADULT CARE FOOD PROGRAM UNDER THE NATIONAL SCHOOL LUNCH ACT.

(a) DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by striking "(3) REIMBURSEMENT" and all that follows through the end of subparagraph (A) and inserting the following:

"(3)(A) Institutions that participate in the program under this section as family or group day care home sponsoring organizations shall be provided, for payment to such homes, a reimbursement factor set by the Secretary for the cost of obtaining and preparing food and prescribed labor costs, involved in providing meals under this section, without a requirement for documentation of such costs, except that reimbursement shall not be provided under this subparagraph for meals or supplements served to the children of a person acting as a family or group day care home provider unless such children meet the eligibility standards for free or reduced price meals under section 9 of this Act. The reimbursement factor under this subparagraph shall be the reimbursement factor as in effect on June 30, 1997. The reimbursement factor shall be adjusted on July 1 of each year to reflect changes in the Consumer Price Index for food away from home for the most recent 12-month period for which such data are available. The reimbursement factor under this subparagraph shall be rounded to the nearest one-fourth cent.".

(b) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of such Act (42 U.S.C. 1766(f)(3)) is amended by striking subparagraph (D).

(c) PROVISION OF DATA.—Section 17(f)(3) of such Act (42 U.S.C. 1766(f)(3)) is amended by striking subparagraph (E).

(d) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—Section 708 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended by striking subsection (l).

(e) CONFORMING AMENDMENTS.—Section 17(c) of such Act (42 U.S.C. 1766(f)) is amended by striking "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION.—The amendments made by subsections (a) and (e) shall take effect on July 1, 1998, or the date of the enactment of this Act, whichever occurs later.

COMMITTEE ON RULES
SUBCOMMITTEE
RULES AND ORGANIZATION
OF THE HOUSE

CAUCUS FOR WOMEN'S ISSUES

CONGRESSIONAL ORGANIZATION
FOR THE ARTS
CHAIR

DEMOCRATIC LEADERSHIP
VICE CHAIR: RESEARCH

WHIP-AT-LARGE

CONGRESS OF THE UNITED STATES
LOUISE M. SLAUGHTER
28TH DISTRICT, NEW YORK

2347 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515-3228
202/225-3615

DISTRICT OFFICE:
3120 FEDERAL BUILDING
100 STATE STREET
ROCHESTER, NY 14614-1309
716/232-4850
TTY 716/454-4805

E-mail: louiseny@mail.house.gov
web: http://www.house.gov/slaughter/

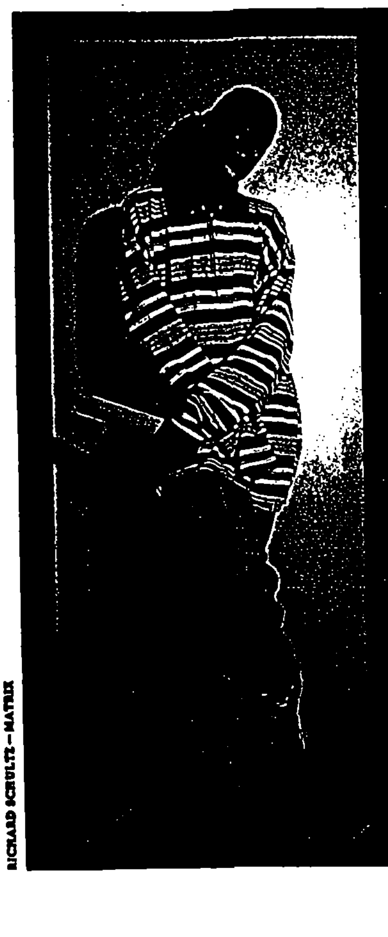
It's 4:00 p.m.
Do You Know Where Your Children Are?

The April 27th edition of *Newsweek* featured an article with the above title about the importance of after-school child care (Jonathan Alter, pages 28-33). According to the article:

A Newsweek poll shows that the number of Americans who worry 'a lot' that their kids will get involved with troublemakers or use drugs or alcohol was up by a full one third since 1990. With 17 million American parents scrambling to find care for their school-age children during work hours, the problem keeps growing...

Among cops, social service types and policymakers, there's a new awareness that structured activity during out-of school hours is absolutely critical to confronting many of the country's most vexing social problems.

Congress has an obligation to help expand after-school care programs for school-age youth. I urge you to cosponsor the America After-School Act, H.R. 3400, which will help provide positive, supervised activities for young people when the school day ends. H.R. 3400 expands the Child Care Development Block Grant to support before- and after-school care, increases funding for the 21st Century Community Learning Center program, and routes juvenile justice funds into after-school prevention programs. Please contact me or call Julie Kashen in my office at 225-3615 if you would like to cosponsor my bill. I encourage you to read *Newsweek*'s feature about Stephen Ruggs to learn more about why you should cosponsor H.R. 3400.



RICHARD SCHULTZ—MATRIX

Stephen Ruggs
MASSACHUSETTS

ASK STEPHEN RUGGS WHERE he would be without the Rev. Eugene Rivers's after-school program, and he doesn't hesitate. "I'd be at the park somewhere, where people beat up on other people just for looking at them." Or worse—the 14-year-old had a friend who he says was killed over a $2 I.O.U. Instead, Stephen is bent over a table at the Ella J. Baker House, a renovated Victorian building in the rough Boston neighborhood of Dorchester, working hard at an anti-smoking campaign he and his friends in the program will be presenting to younger children. Stephen's grandparents, both of whom work for the city transit authority and have raised him since he was a baby, see Baker House as "a haven," and the boy agrees. "The kids here are the lucky ones," he says.

Sincerely,

Louise

Louise M. Slaughter
Member of Congress

Summary of the Congresswoman Slaughter's America After School Act
H.R. 3400

<u>**Promoting Safe After School Activities**</u>

Title I: Child Care and Development Services

- Expand the Child Care Development Block grant (CCDBG) to increase the availability and affordability of quality before and after school health care, and summer and weekend activities for school age children to promote good health and academic achievement and to help avoid high risk behavior. Programs must demonstrate inclusion of disabled children;
- Includes grants to schools, community-based organizations, child care, youth, and community centers, or partnerships in low-income areas.

Title II: The 21st Century Community Learning Center Program

- Expand the 21st Century Community Learning Center Program by:
  - Increasing the supply of before and after-school programs in a cost-effective manner by using public schools and their existing resources, such as computers, libraries, and gymnasiums, through a one-to-one matching provision that can be met by using in kind or cash resources.
  - Streamlining the application process and strengthening fiscal accountability mechanisms by including the local education agency in the application process, but keeping the responsibility for running the program at the school level.

Title III: Crime Prevention Program

- Direct half of the $500 million new juvenile justice funds to after school prevention programs, instead of just enforcement programs.
- Offer grants on a matching basis to the public and private agencies that conduct after-school prevention programs in high crime neighborhoods and areas with significant numbers of at-risk youth.
- Grantees must coordinate with state or local juvenile crime control programs.

FIGHT CRIME INVEST IN KIDS

President
Sanford A. Newman

Associate Directors
Amy R. Dawson
Brendan J. Fitzsimons

Communications Director
John W. Bartlett

March 31, 1998

The Honorable Edward Kennedy and Louise Slaughter,
United States Congress
Washington, DC 20510

Dear Senator Kennedy and Representative Slaughter,

As an organization led by police, prosecutors, and crime survivors, we know that quality after-school programs are among the most powerful weapons available to fight crime.

We write to congratulate you on your leadership in introducing crime-preventing after-school legislation, and to indicate our support for your efforts.

FBI data show us that the peak hours for violent juvenile crime are from 3:00 p.m. to 8:00 p.m. In the hour after the school bell rings, juvenile crime suddenly *triples* and prime time for juvenile crime begins. More than half of all violent juvenile crime occurs between 2:00 p.m. and 8:00 p.m., and almost *two-thirds* occurs in the nine hours between 2:00 p.m. and 11:00 p.m.

Quality after-school, weekend and summer programs for children and youth can cut crime dramatically — by offering school-age kids a safe haven from negative influences, and providing constructive activities that teach them not only the skills they need to succeed, but also values like responsibility, hard work, and respect and concern for others.

Despite clear evidence that quality after-school programs have a dramatic crime prevention impact, we are only serving a small portion of the children and youth who need these programs. More than 5 million children now spend their after-school hours unsupervised and vulnerable to the negative influences of gangs, drugs, and crime. This gaping shortfall in the investments needed to help all children and youth get the right start and develop into contributing citizens is a crime prevention deficit.

The American After School Act (S. 1697, and it's companion H.R. 3400) would be a major step forward in closing our after-school program crime prevention deficit. We therefore urge Congress to pass this legislation.

Thank you for your leadership on this critical crime prevention issue,

Sincerely,

Sanford Newman
President

U.S. House of Representatives

COMMITTEE ON THE BUDGET

Washington, DC 20515

April 29, 1998

Dear Democratic Colleague:

Child care is a top Democratic priority in this year's budget debate. The President laid the groundwork for a child care initiative during his State of the Union address and his FY1999 budget request. His budget provides $21.3 billion in new child care funding from 1999 to 2003 to help families meet their child care needs. The President's budget expands child care subsidies for low-income families. It also increases child care tax credits for families and business and creates new initiatives to improve the quality of child care services.

As the Budget Committee moves toward markup of the budget resolution this year, I want to provide you with the attached memorandum about the President's child care proposal and other key child care issues. The attached brief, prepared by Sandra Clark of the House Budget Committee's Democratic staff, describes the use and cost of child care, sources of federal child care assistance and recent child care proposals by the President and Congress. I hope that this information is useful.

If you have any questions or if you would like any additional information, please feel free to call me or the Budget Committee staff at x67200.

Sincerely,

John Spratt

John M. Spratt, Jr.
Ranking Democratic Member

HOUSE BUDGET COMMITTEE
DEMOCRATIC CAUCUS

Congressman John M. Spratt, Jr., Ranking Democratic Member
222 O'Neill House Office Building, Washington, DC 20515 • 202-226-7200
www.house.gov/budget_democrats/

Briefing Paper

Child Care for American Families

April 29, 1998

John M. Spratt, Jr.
Ranking Democratic Member

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.

Introduction

President Clinton proposed an historic child care initiative in his fiscal year (FY) 1999 budget. The President's budget provided $21.3 billion in new child care funding over the five-year period from 1999 to 2003, moving this issue to the forefront of this year's policy debate. Child care is a key element in the lives of many American families, and it ranks among their top concerns. Roughly two thirds of mothers with children under 15 years old are employed outside of the home, and many of them require nonparental care for their children. Often, parents face worries about the availability, affordability, and quality of child care. While many families struggle with these issues, the pressures are often greatest for low-income working families, who must arrange child care on very limited budgets.

The federal government currently helps families address their child care needs in a number of ways. Over the past decade -- with strong Democratic leadership -- the federal government has greatly increased funding for child care assistance. Despite this federal support, however, many families continue to experience child care problems. In many communities, child care (particularly for certain age groups) is in short supply and, when available, is frequently very expensive. Concerns also persist about the quality of many child care arrangements. And while federal support has grown, it has often targeted families moving from welfare to work, leaving many low-income families who have not received welfare without assistance. The President's initiative and many of the Congressional proposals seek to address these issues.

The Congressional child care debate has already begun to discuss a number of difficult and complicated issues. Among the key questions are: (1) what should be the form of the expansion (tax credits versus direct subsidies to parents); (2) who should benefit (all families with children including those in which parents stay-at-home to care for children versus only families with out-of-pocket child care costs); and (3) how to finance the expansions. These issues are likely to arise during this year's House budget debate.

In order to provide members of the Democratic Caucus and their staff with background information, the Democratic staff of the House Budget Committee has prepared the attached description of the use and cost of child care, federal child care assistance, and recent child care proposals.

The Use and Cost of Child Care

As mothers have increasingly entered the labor force, providing for child care has become a challenge for many American families. Working families often struggle to find child care that enables them to work and also protects and promotes their children's well-being. Child care can pose financial challenges for families, ranking among the top household expense, significantly affecting family budgets and economic well-being.

Use of Child Care

Concerns about nonparental child care are a relatively recent phenomenon. The share of working mothers with children under 18 years old has more than doubled since 1960, increasing from 30.4 percent to roughly 70 percent today. Among mothers with young children (i.e., under 6 years of age), the increase has been more dramatic, rising from 20.2 percent in 1960 to more than 60 percent today.[1]

This shift has been influenced by a number of factors. Changes in social norms over the past several decades have made it more acceptable for, and in fact have encouraged, women to work for personal and professional reasons. Economic necessity has also played a role, as men's real wages have declined over the past two decades. Between 1973 and 1995, for example, the median hourly wage for male workers fell from $13.37 to $11.62 in 1995 dollars, a decrease of nearly 15 percent.[2] Thus, additional earnings (either by a female worker or by increased work effort by the male earner) are required to maintain real family wages at their previous levels. The rise in families headed by single parents has also contributed to the trend, as single parents often are the sole source of financial support for their families. In fact, the recently-enacted welfare legislation further promotes the movement of mothers into the workforce by requiring that most mothers receiving public assistance work and by limiting benefits to a specified length of time.

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[1] *1996 Green Book*, Committee on Ways and Means, U.S. House of Representatives, 1996.

[2] *The State of Working America 1996-97*. Lawrence Mishel, Jared Bernstein, and John Schmitt. Economic Policy Institute. 1996.

The increase in mothers' labor force participation has created a tremendous need for child care. As shown in Figure 1, about 10.4 million pre-school children (i.e., children under 5 years old) have mothers who are employed, comprising more than half of all children in this age group. And roughly 70 percent of these children have mothers who work full-time.[3]

Figure 1
Children Under Five Years Old,
by Mother's Employment Status
(number of children in millions)

Total Children Under 5	18.7
Mother Not Employed	8.3
Mother Employed	10.4
Full-time	*7.1*
Part-time	*3.4*

Source: Congressional Research Service estimates based on U.S. Bureau of the Census March 1997 Current Population Survey (CPS) data.
Note: Totals may not equal the sum of the parts due to rounding.

Another 19.7 million school-age children (5 to 13 years old) have working mothers. Many of these children also need nonparental care outside of school hours.[4] Child care is an important issue among this group since parents must often arrange for their children's care and supervision during the hours before and after school and during school vacations or weekends when parents are working. In recent years, there has been growing attention to the needs of school-age children. This focus has been prompted, in part, by research suggesting an increase in at-risk behaviors among youth during unsupervised hours. Studies have found that school-age children who are left alone after school are at greater risk of crime (both as victims and as perpetrators), substance abuse, and pregnancy.[5]

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[3]Congressional Research Service estimates based on U.S. Bureau of the Census March 1997 Current Population Survey (CPS) data.

[4]Congressional Research Service estimates based on U.S. Bureau of the Census March 1997 Current Population Survey (CPS) data.

[5]White House Press Release. *Child Care: A Challenge for America's Working Families*. January 7, 1998.

Another group often overlooked in child care discussions are families in which the mother is not employed outside of the home, even though these families frequently place their children in nonparental care. In 1995, for example, nearly one third of children under 6 years of age whose mothers were *not* employed participated regularly in a child care or early education program.[6] Although this brief largely focuses on preschool age children of employed mothers, some child care proposals would also assist families in which mothers do not work outside of the home.

Parents use a variety of arrangements to meet their child care needs, as shown in Figure 2.

Figure 2
Primary Child Care Arrangement for
Children Under Five Years Old with Employed Mothers, Fall 1994

Type of Arrangement	Percent of Children
Child care center, nursery/preschool	29.4%
Relative (other than father)	25.3%
Father	18.5%
Nonrelative, in provider's home	15.4%
Nonrelative, in child's home	5.1%
Other[/1]	6.6%

Source: Bureau of the Census Survey of Income and Program Participation.
Notes: /1 Other includes mother cares for child at work, and preschoolers in kindergarten and school-based activities.
Percents may not add to 100 percent due to rounding.

Among pre-school children with working mothers, about one-half are cared for primarily by providers who are unrelated to the child: nearly 30 percent in a child care center or nursery/preschool setting and another 20 percent by an unrelated provider either in the provider's home or the child's home. Relatives are also a major source of child care, serving as the primary provider for one-quarter of preschool children with working mothers. And fathers are the primary source of child care for nearly 19

[6] *Child Care and Head Start*. Public Policy Issues Institute. Karen Spar, Congressional Research Service. February 18, 1998.

percent of preschool children whose mothers work.[7] Many factors influence parents' child care decisions and their arrangements reflect a complex decision making process. Parents' choices must take into account, for example, the availability of child care, its cost, and parents' preferences.

Cost of Child Care

The cost of child care is a major challenge for many families, particularly for low-income families. More than half of all families with preschool children and employed mothers had child care expenses in 1993. On average, these families paid $74.15 a week for the care of their preschool child(ren) — about $321 each month.[8] Not surprisingly, costs varied with the number of children. Families with only one preschool child paid an average of $66.48 per week for child care, compared to $109.63 for families with two or more preschool children.

These costs comprise a significant share of family incomes, especially among low-income families. Overall, families spent nearly 8 percent of their income in 1993 on child care for their preschoolers. However, families with incomes below the poverty level ($14,763 for a family of four in 1993) spent a considerably larger share of their incomes on child care -- nearly 18 percent. Child care costs comprise a significant share of family budgets for nonpoor families as well. For example, in 1993, families with monthly incomes between $1,200 and $2,999 (about $14,400 to $35,998 annually) spent nearly 12 percent of their income on child care. Since these figures do not include child care expenditures for children who are five years old or older, the share of income devoted to child care is actually higher.

Federal Support for Child Care

The federal government helps families meet their child care needs through a variety of means. Figure 3 summarizes the major sources of federal child care assistance.

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[7]Http://www.census.gov/population/socdemo/child/p70-62/tableB.txt. *Who's Minding Our Preschoolers?: Fall 1994 (Update).* Lynne M. Casper. U.S. Bureau of the Census. January 14, 1998.

[8]Information on child care costs is from *What Does It Cost to Mind Our Preschoolers?* (P70-52) Lynne M. Casper. U.S. Bureau of the Census. September 1995. Some of the costs are reported per child and other costs are reported per arrangement. The total number of arrangements exceeds the number of children since an individual child may be placed in more than one arrangement.

Figure 3
Major Sources of Federal Support for Child Care

Source of Assistance	Type of Assistance	Eligibility	FY 1998 Federal Funding Level \a (in billions of dollars)
Child and Dependent Care Tax Credit	nonrefundable tax credit	taxpayers with qualifying employment-related child care expenses	$2.80
Child Care and Development Fund	grants to states for child care assistance and quality improvement	states determine own eligibility criteria, but federal law limits to families with incomes below 85 percent of state median income	
Total			$3.07
Discretionary			*$1.00*
Mandatory			*$2.07*
Social Services Block Grant (Title XX)	entitlement grants to states, may be used for child care subsidies	states determine eligibility	$2.30
Child and Adult Care Food Program	entitlement program providing subsidies for meals served to children in licensed child care	children under age 12 (migrant children under age 15)	$1.51
Head Start	discretionary program providing a range of services for young children	children age 0 to 5, primarily low-income	$4.36

a\ Sources: The estimated revenue loss for the child and dependent care tax credit is from the Joint Committee on Taxation, *Estimates of Federal Tax Expenditures*, December 1996 (note: estimate is only available to the nearest tenth of a billion dollars). All other funding levels reflect budget authority from the Congressional Budget Office, February 1998 Baseline.

Child Care and Development Fund

The Child Care and Development Fund (CCDF) is the primary source of federal child care assistance for low-income families. The FY 1998 CCDF funding level of $3.07 billion ($1.0 billion in discretionary funds and $2.07 billion in mandatory funds) will serve more than one million children, according to Administration estimates.

The 1996 welfare legislation fundamentally changed the nature of federal child care assistance by creating the CCDF to replace several former child care programs. Under prior law, families who were receiving or transitioning off the Aid to Families with Dependent Children program (AFDC) were entitled to receive child care assistance. States were also entitled to receive funds up to a capped amount to serve working families who were "at-risk" of coming onto AFDC if they did not receive child care assistance. The welfare legislation repealed these three programs and combined them with a fourth child care program -- the Child Care and Development Block Grant, which provides federal child care funds to states to assist low-income families and to improve the quality of child care. In doing so, the legislation eliminated child care assistance as an entitlement and consolidated child care funding into a single block grant to states. The block grant is larger than the amount the Congressional Budget Office (CBO) estimated would have been spent under the previous entitlement, in part in recognition of the increased need for child care assistance as more families moved from welfare to work.

The CCDF makes funds available to states to provide child care subsidies to low-income families who are either working or attending school. States have considerable flexibility in designing and targeting their child care programs. Under federal law, only families with incomes below 85 percent of the state median income are eligible for the CCDF, but the vast majority of states have established more stringent eligibility criteria. Federal law further requires that states use 4 percent of the CCDF funds for activities to improve the availability and quality of child care.

CCDF funds are divided into discretionary and mandatory components. The legislation authorizes $1.0 billion each year in discretionary funds, which are subject to annual appropriation and distributed to states based on the proportion of children under 5 years old, the number of children receiving free or reduced-price school lunches, and the state's average per capita income. The welfare legislation also made mandatory funds available for child care, of which a portion is distributed to states with no matching requirements, based on prior-year funding levels. The remaining mandatory funds must be matched by state child care spending (at the federal Medicaid match rates) and are available to states that maintain spending equal to their spending on AFDC-related child care programs under prior law. The maximum allocation of these funds across the states is based on the proportion of the state's children under age 13.

Child and Dependent Care Tax Credit

Another large sources of federal support for child care is provided through the tax code. The Child and Dependent Care Tax Credit (CDCTC) provides a nonrefundable credit against income tax liability for a family's work-related child care expenses. A nonrefundable credit , however, does not benefit families whose income is low enough to owe no regular income tax. In 1995, about 6 million taxpayers benefitted from the CDCTC and claimed more than $2.5 billion in credits, for an average credit of about $422.[9] In FY1998, the CDCTC will provide credits totaling $2.8 billion.[10]

Under the CDCTC, families are eligible to receive a nonrefundable credit for up to 30 percent of their qualifying work-related expenses for the care of a child under 13 years old or a dependent or spouse with disabilities. The maximum qualifying expenses are $2,400 per year for one qualifying dependent and $4,800 for two or more dependents. Taxpayers with adjusted gross income (AGI) of $10,000 or less receive a credit of 30 percent of qualifying expenses. Thus, the maximum amount of the credit is $720 for one qualifying individual and $1,440 for two or more qualifying individuals. The credit decreases (on a sliding scale) to 20 percent of qualifying expenses for taxpayers with AGI of more than $28,000.

Other Child Care-Related Programs

In addition to the tax credit and the CCDF, the federal government provides several other notable sources of support for child care assistance. The **Title XX Social Services Block Grant (SSBG)** is a capped entitlement that makes funds available to states to provide a wide range of social services, including child care. In FY 1998, SSBG was funded at $2.3 billion. States have considerable latitude in using the SSBG funds, both in terms of the services provided and eligible populations, although the funds usually target low-income persons and families. Data on the use of SSBG funds are limited, but evidence suggests that the SSBG funds some child care in most states.[11]

The **Child and Adult Care Food Program (CACFP)** -- projected to cost $1.5 billion in FY 1998-- provides federal subsidies for nutritious meals served to children under age 12 (and migrant children under age 15) in licensed child care centers or family day care homes. In addition to its direct benefits, the CACFP has been credited with providing an incentive for child care providers to become licensed, thereby potentially increasing the quality of care.

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[9]*Statistics of Income Bulletin*. (Volume 17, Number 2). Internal Revenue Service, Fall 1997.

[10]As estimated by the Joint Committee on Taxation.

[11]*1996 Green Book*. Committee on Ways and Means. U.S. House of Representatives, 1996.

The **Head Start** program's primary focus is not on child care, but it often helps to meet families' child care needs. In FY 1998, the appropriation of $4.355 billion will serve an estimated 830,000 low-income children. Head Start is a comprehensive early childhood program that provides a range of services to children age 0 to 5 years. Its goal is to promote the healthy development and school readiness of low-income young children through services such as language development, health care, nutrition programs and other social services. Traditionally Head Start has been a part-day, part-year program, but there has been a growing emphasis recently on expanding to full-day, full-year services, which will better meet parents' child care needs.

Other federal programs provide additional child care assistance, although recent accounts of federal child care programs have been somewhat misleading. An analysis by the General Accounting Office (GAO), for example, identified 22 key federal child care programs.[12] Similarly, in 1994, the Congressional Research Service (CRS) developed a list of 46 federal programs related to child care or preschool.[13] While these numbers indicate programs that have *some* link with child care, they do not provide an accurate account of federal *child care* programs and should be viewed with caution for two reasons.

First, both the GAO and CRS studies included programs providing any child care support, regardless of the magnitude of the child care component. For example, both lists include the Job Corps, even though less than one percent of the program's budget is spent on early childhood activities. Second, the lists include programs that serve young children but have a primary focus other than child care. A number of Department of Education programs that provide preschool education to young children are included in the list, even though the programs are not intended to address families' child care needs and may not do so.

Key Issues in Federal Child Care Assistance

Despite the significant federal investment in child care, many needy families fail to receive assistance. Since the CDCTC is nonrefundable, it primarily assists middle- and higher-income families and does not

[12] *Correspondence to Senator Larry E. Craig*. "Child Care: Federal Funding for Fiscal Year 1997." (GAO/HEHS-98-70R). General Accounting Office, January 23, 1998.

[13] Memorandum on Federal Funding for Child Care. Molly R. Forman. Congressional Research Service, October 1994.

benefit families who are too poor to pay federal income taxes (and only partially benefits those families whose taxes are too low to receive the full credit). In 1995, 43 percent of the total credits went to families with adjusted gross income (AGI) greater than $50,000 while only 21 percent went to families with AGI below $25,000. There is no data on the number of families who do not benefit fully from the CDCTC because of its nonrefundable nature. However, comparing the number of taxpayers claiming the CDCTC to the number claiming the Earned Income Tax Credit (EITC), a *refundable* credit that also primarily benefits low-income working families with children, provides some indication of the magnitude of this issue. In 1995, more than 15 million taxpayers with AGI below $30,000 claimed the EITC compared with less than 2 million claiming the CDCTC.

Low-income working families with no recent welfare history often fail to receive assistance through the CCDF as well. As previously noted, federal law allows states to serve families with incomes up to 85 percent of the state median income. The vast majority of states, however, set more stringent eligibility criteria so that many low-income families fail to qualify for assistance under state guidelines. Since the CCDF is not an entitlement to individual families, even low-income families who meet the eligibility requirements do not receive assistance if funds are not available. Furthermore state policies often give priority for child care subsidies to families receiving or transitioning off Temporary Assistance for Needy Families (TANF), which further limits assistance to low-income families with no connection to the welfare system. As a result, needy families may be turned away or placed on a waiting list for assistance.

Many low-income families, therefore, struggle to secure affordable child care that enables them to hold down their jobs. Those families who cannot find suitable care face difficult choices. Anecdotal evidence suggests that this situation leads some families to abandon their jobs and return to the welfare system. Others are forced to use less costly child care arrangements that may be unsuitable or of questionable quality. Alternatively, many parents rely on informal care provided by family or friends, which may prove less reliable than formal care and does not always support a child's healthy development. And in some cases, children are left alone or in the care of a sibling.

Recent Child Care Proposals

Problems in finding affordable and quality child care has received growing attention by the President and within the Congress, particularly by Democrats. In January, President Clinton unveiled a major child care initiative, and so far, about 40 bills related to child care have been introduced in the 105th Congress.

President Clinton's Initiative

The President's FY 1999 budget proposed a major child care initiative providing $21.3 billion in new child care funding over the five-year period from FY 1999 to 2003. The initiative encompasses a number of different elements also proposed in Congress, such as expanded subsidies for low-income families, increased child care tax credits for both families and businesses, and new initiatives to expand and improve child care services. These proposals are summarized in Figure 4.

About half of the five-year increase ($10.5 billion) reflects new funding for mandatory programs. Increases in tax credits and discretionary programs each account for roughly one quarter of the remaining five-year total. The budget pays for a mandatory increase in child care subsidies ($7.5 billion) with receipts from proposed tobacco legislation, and it also includes a variety of mandatory offsets that cover the cost of the remaining $3.0 billion in mandatory funding, although it does not link the increase to a specific offset. The child care tax credits are offset by other changes in the tax code.

In addition to the child care expansions, the President's FY 1999 budget reduces funding for the Social Services Block Grant program, which could have adverse implications for child care funding. The budget funds the SSBG at $1.9 billion in FY 1999, a decrease of $471 (20 percent) from the authorized level and $390 million (17 percent) from the FY 1998 level. By FY 2003, SSBG funding falls by $1.0 billion. As previously noted, most states use some SSBG funds for child care, so this change taken by itself could reduce overall child care funding.

Figure 4
Summary of President Clinton's Child Care Plan

Proposal	Five-Year Total (Budget Authority, in millions of dollars)	Description
Mandatory Spending		
Increase funding for the CCDBG	$7,500	The Administration estimates that this would roughly double the number of low-income children receiving subsidies to more than two million.
Create an Early Learning Fund	$3,000	This fund would provide grants to communities for a range of activities to improve care for children age 0 to 5 years including training child care providers, reducing staff-to-child ratios, and educating parents.
Tax Credits		
Expand the Child and Dependent Care Tax Credit	$4,814	The Clinton proposal would increase the credit for families earning less than $60,000 a year. Under the plan, families earning less than $30,000 a year would receive a credit of 50 percent of qualifying expenses, up from the current 30 percent credit. The credit then slides down to 20 percent for families earning $60,000 or more, thereby increasing the credit for families with incomes between $30,000 and $60,000. The maximum qualifying expenses would remain unchanged, except that they (and the income thresholds) would be indexed for inflation starting in the year 2000. The Administration estimates that these changes would increase the amount of the credit for qualifying families by $358 on average.
Create a Child Care Tax Credit for Businesses	$478	This would allow a business to deduct up to 25 percent of the costs of providing child care services to their employees, up to a maximum of $150,000 annually. Examples of qualifying activities include efforts to build or expand child care facilities, operate existing facilities, train child care workers, reserve slots for employees at child care facilities, or provide child care referrals to their employees.

Discretionary Programs		
Expand Before- and After-school Programs	$800	The proposal would expand the existing 21st Century Community Learning Center Program within the Department of Education by funding school-community partnerships to establish or expand programs for school-age children.
Increase Funding for Head Start	$3,814	The Administration estimates that this increase would double the number of infants and toddlers served by Early Head Start to 80,000.
Improve Enforcement of Health and Safety Standards	$500	Each state establishes its own health and safety standards for regulated child care providers. One concern is that states lack the resources to monitor compliance with these standards. The proposal would increase funding for state efforts to improve licensing and enforcement, modeled after the military's child care programs. This provision would *not* establish federal licensing standards.
Establish a Child Care Provider Scholarship Fund	$250	The child care provider's experience and skills are an important determinant of the quality of the arrangement. Unfortunately, staff often lack training and turnover rates are high. This proposal would create a Child Care Provider Scholarship Fund to assist students working toward obtaining a child care credential. The Administration estimates that it will assist 50,000 students per year.
Invest in Research	$150	The plan includes additional funding for child care data collection, research and evaluation.

Congressional Proposals

The various legislative proposals introduced during the 105th Congress address child care issues in a number of different ways.[14] Among the initiatives are bills that would expand the CDCTC to make child care more affordable, either by making the credit refundable or increasing the amount of the existing credit. Other bills would increase funding for the CCDF either by authorizing additional money, subject to appropriation, or by directly appropriating additional mandatory funding. Some bills would target additional CCDF funds to specific groups such as families not receiving welfare, infants and toddlers, or school-age children. Other proposals would provide tax incentives for employers to expand child care services for their employees. A number of bills contain measures to improve quality through incentive grants to states (with several bills focusing specifically on improving services for younger children), or through efforts to raise the quality of child care workers. Several bills propose comprehensive packages that combine a number of these different approaches.

The Senate Republican budget resolution does not include a major child care initiative and does not provide any mandatory funding increases for child care. It assumes a $5 billion increase in discretionary funding for child care over the five-year period FY 1999 to 2003, leaving it up to the Appropriation Committees to fund the initiative, which would likely require cuts in other discretionary programs. The budget resolution also mentions "further relief for child care expenses for all families" as an illustrative example of the type of provision that might be considered as part of a broad tax package. It does not, however, specify a change in child care tax credits or discuss how to pay for such an initiative.

Conclusions

Proposals from the Congress and President lay out a wide range of alternatives for improving the availability, affordability, and quality of child care. One of the key features of many of the various initiatives is their wide scope. Both the President's plan and the Congressional proposals target child care issues on a number of different fronts, and would benefit many families, regardless of income or employment status. The increase in CCDF funding would assist low-income families while the expansions in the CDCTC would benefit working families with higher incomes. And many of the

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[14]For a summary of the bills, see *Child Care Legislation in the 105th Congress* (Issue Brief 98001). Karen Spar. Congressional Research Service, February 26, 1998.

changes aimed at improving the overall quality and supply of child care would benefit *all* families who use child care. In addition, many of the measures address areas that have been long overlooked such as after-school programs for school-age children.

There have been several concerns raised about the various child care proposals. Some have charged, for example, that the President's plan and other proposals focus too heavily on nonparental child care for working parents and do not address the needs of parents who stay at home to care for their children themselves. These concerns prompted the House to enact a resolution (H.Con.Res. 202) on February 11, 1998, expressing the sense of the Congress that the Federal Government should recognize the importance of at-home parents and not "discriminate" against them.

Most people would agree that parents are best able to make choices concerning their employment and child care arrangements. For some families, however, working is not a choice; it is a necessity. And for families receiving public assistance, federal welfare law clearly defines it as such. If there is an expectation that low-income families with children must work and be self-sufficient, there must also be a commitment to ensure that they can afford quality child care. Although child care is often viewed as work support for parents, its most critical role is to ensure and promote the healthy development of children. In fact, substantial numbers of stay-at-home parents also use child care and early childhood programs for non-work-related reasons. Many of the provisions in the President's and Congressional child care proposals aim to improve the supply and quality of child care programs, which would benefit all children, including those whose parents stay at home.

There have also been questions raised about the need for additional child care funding, given the incomplete use of existing child care funds in recent years. In FY 1997, for example, states spent only 72 percent of their allocated funds for that year. However, in FY 1998, state spending has accelerated dramatically and the majority of the FY 1997 funding has been spent. It is important to bear in mind that state child care programs have undergone rapid change since the recent welfare legislation was enacted. The welfare legislation fundamentally changed the nature of child care funding by eliminating child care entitlements, replacing them with a block grant to states and expanding child care funding. At the same time, it enacted policies to move welfare recipients into the work force, leading to greater demand for child care services. States have had to reshape their child care systems and learn to operate within a new financing structure. It is not surprising that many state systems were initially in flux. This appears to have been worked out, however, and state systems have likely acquired the capacity to spend additional child care funding.

Child care is one of the most difficult issues faced by working parents. It is critical not only to the success of parents working their way off of welfare, but for all working families struggling to meet the demands of the work place and to do the best for their children. In recent years, the federal government has greatly expanded its support for working parents by increasing investments in child care assistance. Nevertheless, many low-income families still fall through the gaps. The proposal set forth by President Clinton and those supported by many Democrats would strengthen the federal commitment to child care. Given the importance of the problem to millions of families across America, it is an issue that the Clinton Administration and the Congress, especially Congressional Democrats, will continue to work to solve.

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