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DEMOCRATIC CAUCUS
U.S. HOUSE OF REPRESENTATIVES

Vic Fazio, Chairman
Barbara B. Kennelly, Vice Chair

Jena Klein

ATTENTION: CHILD CARE L.A.

June 3, 1998

Dear Democratic Colleague:

In response to President Clinton's call to make child care safer and more affordable for America's working families, House Democrats will introduce our Democratic Child Care Proposal on Tuesday, June 9th. As part of the President's balanced budget, the Democratic proposal will introduce significant new investments in child care to help working families pay for child care, build a good supply of after-school programs, and improve the safety and quality of care and promote early learning.

We are writing to urge you to join us as original cosponsors of the Democratic Child Care bill to be introduced next week. This proposal doubles the number of children receiving child care assistance; increases tax credits for three million working families to help them pay for child care; establishes a stay-at-home credit for children under the age of four; provides after-school care for up to one million children per year; improves child care safety and quality; and enhances early childhood development.

Attached is a summary which will illustrate the major components of the Democratic bill. We urge you to join your colleagues in working to provide better child care to America's working families. If you have any questions or would like to add your name as an original cosponsor, please contact Sean Marcus at the Democratic Caucus at X6-3210.

Sincerely,

The Honorable Barbara B. Kennelly
The Honorable Vic Fazio
The Honorable Rosa DeLauro
The Honorable Robert Weygand
The Honorable Lloyd Doggett
The Honorable Jim McDermott
The Honorable Louise Slaughter
The Honorable Ellen Tauscher
The Honorable Richard Gephardt
The Honorable Sander Levin
The Honorable Zoe Lofgren
The Honorable Eva Clayton
The Honorable Neil Abercrombie
The Honorable Lynn Woolsey

The Honorable Steny Hoyer
The Honorable Nita Lowey
The Honorable Julia Carson
The Honorable Thomas Manton
The Honorable Jim Moran

The Honorable Carolyn Maloney
The Honorable Thomas Allen
The Honorable Debbie Stabenow
The Honorable Sheila Jackson-Lee

Democratic Child Care Proposal

Principles of the Democratic Child Care Proposal

- Increases tax credits for three million working families to help them pay for child care.
- Establishes a tax credit for stay-at-home parents with children under the age of four.
- Doubles the number of children receiving child care assistance.
- Provides after-school care for up to half a million children per year.
- Improves child care safety and quality and enhances early childhood development.

I. Child Care Block Grant (CCDBG)

Doubles the number of working families, including families with children under the age of 3, that will receive child care subsidies by FY 2003 through an increase in mandatory funding for CCDBG and the increase provided in the Welfare Reform Bill. Cost: $7.5 billion over five years.

II. Dependent Care Tax Credit (DCTC) Reform

Increases the Dependent Care Tax Credit for all families with less than $60,000 in income. The new DCTC would be a 50% credit for families with less than $30,000 in income slowly phasing down to a 20% credit for families earning more than $60,000. The provision provides an average tax cut of $330 for eligible families or three million families a year. Cost: $5.1 billion over 5 years.

Establishes a tax credit for stay-at-home parents with children under the age of four. The credit would be equivalent to the average increase in tax relief provided to families with a young child through the expansion of the DCTC. Estimated Cost: $3.5 billion over 5 years.

Prevents the Alternative Minimum Tax (AMT) from reducing the DCTC.

III. Assistance for Businesses

Establishes a tax credit for businesses that provide child care services for their employees by building or expanding child care facilities, operating existing facilities, or training child care workers. The credit covers 25% of qualified costs, but may not exceed $150,000 per year. Cost: $500 million over 5 years.

Grants to Businesses- Authorizes grants to business consortia to improve access to affordable, local, quality child care services through the states to start child care centers. The consortium must be no fewer than five businesses and must match $2 for every $1 of Federal funds and $1 of state funds. Small business have priority funding. Cost: $75 million a year for 5 years.

IV. After School Program

Provides after school care for up to half a million children per year by expanding the 21st Century Community Learning Center Program to provide funds to school-community partnerships to establish or expand programs for school-aged children. Cost: $800 million over 5 years.

After School Snacks: Expands the number of programs and students eligible to participate in the Child and Adult Care Food Program (CACFP) at after-school programs. Current law only allows low-income kids up to age 13 to get subsidized snacks. This bill would extend that to age 18 and allow new programs to participate. Costs: $46 million/1st year. $200 million over 5 years.

Full-Service Community Schools: A full-service school integrates the delivery of quality education with whatever health, social and cultural services that are required in that community. No net cost.

Juvenile Justice: Would direct existing juvenile justice funds to after-school prevention programs in areas with high crime levels or significant numbers of at-risk youth. No net cost.

V. **Quality Fund/Early Learning Fund**

Establishes a new Model State's Early Learning Fund which provides challenge grants to communities (distributed to eligible states through CCDBG) to support programs to improve early learning and the quality and safety of child care for children ages 0-5. States may use the funds in a variety of activities including providing training to providers, improved child-staff ratios, pay for comprehensive background checks, expand parent education activities, and to improve the availability of care for children with special needs. Cost $3 billion over 5 years.

VI. **Standards Enforcement Fund**

Steps up enforcement of state health and safety standards. Building on the military's model child care program, this proposed initiative will fund state efforts to improve licensing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. Cost: $500 million over five years.

VII. **Child Care Provider Scholarship Fund**

Increases scholarships and training for child care providers. The President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide Scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance. Cost: $250 million over five years which will support 50,000 scholarships per year.

VIII. Research and Evaluation Fund

Provides funding for data collection, research, and evaluation. The research fund will also support a National Center on Child Care Statistics and a child care hotline that connects parents with local resource and referral agencies to help them identify appropriate, quality child care for their children. Cost: $150 million over 5 years.

IX. Agreed to Additional Proposals

Child and Adult Food Program: Amends the National School Lunch Act to increase reimbursement rates for family or group day care homes under the child and adult care food program. Costs: $225 million over 5 years. (First section on Tier 2 program -- $40 million a year, second section on sponsor payments -- $5 million a year.)

Children's Development Commission Act: Amends the National Housing Act to authorize the Secretary of Housing and Urban Development to insure mortgages for: (1) new or rehabilitated child care and development facilities, including mortgage insurance for fire safety equipment loans; and (2) purchase or refinance of existing child care and development facilities. Establishes the Children's Development Commission which shall: (1) issue facility standards and compliance certifications; and (2) make loans not in excess of $50,000 for facility rehabilitation or renovation. Authorizes appropriations. Directs the Secretary of the Treasury to conduct a study of the availability of child care facility secondary mortgage markets. Costs: $10 million-- One-time capped allocation of funds.

Sense of Congress: It is the Sense of Congress that the monies appropriated under this bill will occur within the context of a balanced budget and be fully funded.

Mindy E. Myers
06/08/98 06:36:49 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: Dem. Caucus Child Care Event

FYI - Janet just received a fax from Gephardt's office. The following Reps are confirmed to attend the event tomorrow at 1:45 pm in 334 Cannon.

Allen
Baldacci
Barrett
Bonior
Brown
Boswell
Christian-Green
Clayton
Filner
Fattah
Fazio
Harman
Hooley
Eddie Bernice Johnson
Carolyn Cheeks Kilpatrick
Nick Lampson
Sandy Levin
Sheila Jackson Lee
Carrie Meek
Jim McGovern
Major Owens
Ciro Rodriguez
Louise Slaughter
Pete Stark
Louis Stokes
Ted Strickland
Woolsey

(All Dem Reps. were invited to attend.)

Message Sent To:

INTERNAL HHS Q & A - House Child Care Event, 6/9/98

Q1: Is this your favorite bill? Why is it better than all the others?

A1: There are a number of child care bills that have been introduced in this Congress (see attached side-by-side) and this bill is a comprehensive piece of legislation that includes provisions of the President's proposal as well as other innovative ideas that have been put forth by members of Congress. Like the President's proposal, this bill significantly increases child care subsidies for poor children, provides additional tax relief to help low- and middle-income families pay for child care, creates a tax credit for businesses that provide child care for their employees, and improves state enforcement of health and safety standards. By incorporating some of the best proposals out there this legislation will make child care better, safer, and more affordable for America's children and families.

Q2: Why is the tobacco legislation being used for child care? What is the connection?

A2: First, only one-third of the child care proposal is paid for with revenue from tobacco legislation. We believe that is a realistic assumption. But again, let's not get hung up on the financing. As the President has said, every initiative in his budget submission, including this one, can be paid for within the context of a balanced budget. The budget we sent to Congress included a number of proposals to pay for new initiatives like this one - including tax proposals and other spending offsets.

Second, making sure that America's working families have good, quality child care available is an issue that both states and the federal government have been working on as partners for many years. We believe we're going to be able to work with Congress and the states to pass this important child care initiative and a strong tobacco bill.

Q3: Why so late in the session? How can you get it done?

A3: Since the Administration announced its child care initiative in January, there have been a number of bills introduced by Republicans and Democrats on both sides of the aisle. We are encouraged by the announcement of this unified House Democratic package and believe there is still time in this legislative year to pass child care and other pressing initiatives to meet the needs of America's families. We will be working hard with Congress on a bipartisan basis to enact legislation to make child care better, safer, and more affordable for the hardworking American families that rely on it.

Q4: How can the President sign a tobacco bill that does not contain real funding for child care?

A4: The McCain bill provides that 40 percent of funds received will go to the states, totaling $196.5 billion over 25 years. Half of these state funds must be used for designated programs to enhance the health and well-being of children and families most in need, including child care. If states were to spend their restricted funding in proportion to current expenditures (and use 6% for the Children's Health Insurance Program), about 45% of the funds, or approximately $5.5 billion over 5 years, would go to child care. [Background: The President's child care proposal would provide $7.5 billion over 5 years.]

Q5: Do you really expect to get child care initiative passed considering that the tobacco bill is going nowhere?

A5: First, we fully expect Congress to pass comprehensive tobacco legislation, and second, only about one-third of the child care initiative is paid for by tobacco revenues. Making sure that America's working families have good, quality child care available is an issue that both states and the federal government have been working on as partners for many years. We believe we're going to be able to work with Congress and the states to pass this important child care initiative.

Q6: But what about the one-third of the initiative that is paid for by tobacco revenues? Right now, nothing is earmarked in the tobacco bills. What are you going to cut to make up for this expected revenue if the tobacco bill doesn't pass?

A6: Actually there is money which is earmarked. The McCain bill provides that 40 percent of funds received will go to the states, totaling $196.5 billion over 25 years. Half of these state funds must be used for designated programs to enhance the health and well-being of children and families most in need, including child care. If states were to spend their restricted funding in proportion to current expenditures (and use 6% for the Children's Health Insurance Program), about 45% of the funds, or approximately $5.5 billion over 5 years, could go to child care.

Q7: Do you think the tobacco bill is dying?

A7: Absolutely not. The Senate process has been complicated, but these are complicated issues and members have a range of different priorities that need to be worked through. We always knew that passing a comprehensive tobacco bill would not be easy, and we are making steady progress. We continue to believe that the Senate, and then the full Congress, will pass this bill. They will otherwise have to explain themselves to the American people.

Q8: Does the administration now support the stay-at-home provision?

A8: We believe we should respect and support parents in whatever choices they make, whether they work or stay at home. The Administration has supported that choice in the past through a variety of actions to increase family income, such as expanding the Earned Income Credit, increasing the minimum wage, and passing the $500 per-child tax credit. We embrace this proposal that includes a number of provisions designed to benefit all of America's families and children.

June 8, 1998

UNVEILING OF HOUSE DEMOCRATIC CHILD CARE LEGISLATION

Date:	**Tuesday, June 9, 1998**
Time:	**1:35 - 2:35 pm**
Location:	**334 Cannon House Office Building**
From:	**Nicole Rabner**

I. PURPOSE

To participate in the unveiling of the House Democratic Child Care Legislation, which incorporates the Administration's child care proposals, and to urge the Congress to act on child care this year.

II. BACKGROUND

House Democratic Child Care Legislation

The House Democratic Caucus formed a Child Care Task Force at our urging and developed comprehensive child care legislation that incorporates all of the proposals put forward by the President in his balanced budget request. These pieces are: (1) significant new dollars for child care subsidies; (2) enhanced child care tax credits for 3 million working families; (3) a new tax credit for businesses that offer child services; (4) increased funding to expand after-school opportunities for 500,000 children; (5) the creation of a new Standard Enforcement Fund, a new Early Learning Fund, and a new Child Care Scholarship Fund; and (6) increased funding for child care research and evaluation.

In addition to these proposals, the House Democrats have added some of their own proposals -- many on which the Administration has taken no formal position and in fact may not embrace. These include a tax credit for stay-at-home parents; a proposal to support loan guarantees to create child care facilities (which is called "Kiddie Mac," and has met with little enthusiasm by the Administration); and expansion of the Child and Adult Care Food Program to provide after school snacks for low income children.

The White House will issue a supportive statement from the President on the bill. An outline of the legislation and a list of the original co-sponsors are also attached.

Tobacco Update

As you likely know, Majority Leader Lott has declared tobacco legislation dead. The Administration has taken strong issue with that prediction. What follows is a summary of the substance of the tobacco legislative effort. The Senate passed two amendments to the McCain bill last week. The first, sponsored by Senator McCain and approved by voice vote, provides $3 billion over five years to the Veterans' Administration to assist veterans with smoking-related illnesses. The second greatly increases the surcharges imposed on individual companies that fail to meet youth smoking reduction targets.

This week, the Senate is scheduled to consider a proposal by Senator Gramm to use tobacco revenues for a tax cut to all married couples earning less than $50,000 per year (whether or not they now pay a marriage penalty). Senator Daschle has prepared an alternative tax amendment, which would provide relief for those married couples earning less than $60,000 per year who now pay a marriage penalty, as well as accelerating the deductibility of health insurance costs for the self-employed. McCain and Senator Kerry are working toward agreement on a compromise with Gramm, which would certainly grease Senate passage of the tobacco bill, but would still limit spending on our public health and research priorities.

The Senate also is expected to vote tomorrow (before your event) on an amendment offered by Senators Craig and Coverdell, which would allocate about $2 billion each year to anti-drug efforts, again cutting into the funding available in the bill for public health and research. The Craig-Coverdell amendment also includes a permanent prohibition on the use of federal monies for needle exchange and a program to allow education vouchers to students who have been the victims of school violence. The Administration is working to convince a bipartisan group of Senators to support an improved version of the Craig-Coverdell amendment that spends less money on anti-drug efforts and eliminates the amendment's poison pills.

Cloture votes are scheduled for Tuesday and Wednesday, but because Senator Lott strenuously opposes cutting off debate at this time, these motions are not expected to pass. It is unclear whether the Kerry-Bond child care amendment will be offered before these cloture votes.

House Budget Update

The House passed a budget resolution that slashes spending by $125 billion over five years, and includes cuts to Medicare, Medicaid, welfare, education, veterans benefits, law enforcement, and environmental protection. The budget cuts mandatory spending by $56 billion, and includes a $12 billion cut to Medicaid and a $10 billion cut to Medicare. The budget also reduces nondefense discretionary spending by 14% in 2003 alone; to take just a few examples, this would mean that, in 2003: 85,000 children would be denied Head Start; one million poor students would be denied Title I services; and funding for childhood immunization, breast and cervical cancer screening, and other health services delivered by the Centers for Disease Control would be cut by $340 million.

This budget is unlikely, however, to go too far because these cuts are unrealistic and because the Senate is opposed to acting on a reconciliation bill this year.

II. PARTICIPANTS

Speaking Program
The First Lady
Rep. Barbara Kennelly (D-CT)
Rep. Ellen Tauscher (D-CA)
John Brandon, VA, single working parent of two children
Amanda Brandon, age 8 and Johnny Brandon, age 5
Secretary Shalala

Members of Congress Expected to be Present (On Stage, Not Speaking)
Rep. Tom Allen (D-ME)
Rep. John Baldacci (D-ME)
Rep. Thomas Barrett (D-WI)
Rep. David Bonior (D-MI)
Rep. Leonard Boswell (D-IA)
Rep. George Brown (D-CA)
Rep. Eva Clayton (D-NC)
Rep. Rosa DeLauro (D-CT)
Rep. Chaka Fattah (D-PA)
Rep. Vic Fazio (D-CA)
Rep. Bob Filner (D-CA)
Rep. Jane Harman (D-CA)
Rep. Alcee Hastings (D-FL)
Rep. Darlene Hooley (D-OR)
Rep. Steny Hoyer (D-MD)
Rep. Sheila Jackson-Lee (D-TX)
Rep. Barbara Lee (D-CA)
Rep. Eddie Bernice Johnson (D-TX)
Rep. Barbara Kennelly (D-CT)
Rep. Nick Lampson (D-TX)
Rep. Sander Levin (D-MI)
Rep. Carolyn Maloney (D-NY)
Rep. Carrie Meek (D-FL)
Rep. Jim Moran (D-VA)
Rep. Major Owens (D-NY)
Rep. Ciro Rodriguez (D-TX)
Rep. Carlos Romero-Barcelo (D-AL)
Rep. Ted Strickland (D-OH)
Rep. Louise Slaughter (D-NY)
Rep. Pete Stark (D-CA)
Rep. Ted Strickland (D-OH)
Rep. Louis Stokes (D-OH)

Rep. Ellen Tauscher (D-CA)
Rep. Lynn Woolsey (D-CA)

Other Participants (Not Speaking -- Providing Supportive Statements)
Dawn Mason-Affinito, Director, Friends and Family Day Care, Connecticut
JC Stamps, D.C Police Officer
Renee Deshommes, Stay-at-home mother, Fairfax, VA

IV. SEQUENCE OF EVENTS

- The First Lady proceeds to hold;
- The First Lady tapes three consecutive stand-ups with Reps. Tom Allen (D-ME), Leonard Boswell (D-IA), and Ted Stickland (D-OH).
- The First Lady proceeds to stage;
- Rep. Barbara Kennelly makes opening remarks and introduces John Brandon and his two children, Amanda and Johnny;
- John Brandon makes remarks;
- Rep. Ellen Tauscher makes remarks and introduces Secretary Shalala;
- Secretary Shalala makes remarks and introduces the First Lady; and
- The First Lady makes remarks and departs.

NOTE: Secretary Shalala and various Members of Congress will remain to answer press questions.

V. PRESS PLAN

Open Press.

VI. REMARKS

Prepared by Laura Schiller.

DEMOCRATIC CAUCUS
U.S. HOUSE OF REPRESENTATIVES

Vic Fazio, Chairman
Barbara B. Kennelly, Vice Chair

NEWS

For Immediate Release Contact: Steven Maviglio 226-0741

HOUSE DEMOCRATS UNVEIL CHILD CARE PROPOSAL

Quality, Cost, Availability Focus of Sweeping Initiative

Washington, D.C. -- Joined by First Lady Hillary Rodham Clinton, Secretary of Health and Human Services Donna Shalala, and working families, House Democrats today unveiled legislation designed to double the number of families receiving assistance to pay for child care.

House Democratic Whip David Bonior (D-Mich.), Caucus Chairman Vic Fazio (D-Calif.), Vice-Chair Barbara B. Kennelly (D-Conn.), Rep. Ellen Tauscher (D-Calif.), and more than 100 Democratic cosponsors say the comprehensive bill is targeted at middle- and lower-income families faced with soaring child care costs and li ited availability. The legislation:

- Increases tax credits for three million additional working families to help them pay for child care;
- Provides after-school care for up to half a million children per year;
- Establishes a business tax credit for companies providing child care services;
- Creates a child care provider scholarship fund to train child care workers;
- Establishes a tax credit for stay-at-home parents with children under the age of four; and
- Improves child care safety and quality and enhances early childhood development.

"For millions of American families, nothing is more important than quality child care that is safe and affordable," said Fazio. "This legislation is a blend of initiatives that addresses costs, availability, quality, and safety."

-more-

Child Care/222

Many of the provisions in the bill are tax related. These include an increase in the dependent care tax credit for families with less than $60,000 combined income that would result in an average tax cut of $330 for three million families. Savings would be similar for stay-at-home parents with children under the age of four.

Businesses that provide child care services for their employees by building or expanding child care facilities or training child care workers would receive a 25 percent credit towards those costs up to $150,000 per year. A matching fund grant program for business also would be created to expand the number of child care facilities, with small businesses receiving priority funding.

The bill also has a strong focus on after-school programs to help parents bridge the gap between the hours when schools adjourn to when they return from work. The Child and Adult Care Food Program would be extended to those from 13 to 18 years old. In addition, new emphasis on after-school prevention programs will be required in juvenile justice programs.

The Democratic Caucus proposal also calls for the establishment of a $3 billion fund over five years to provide challenge grants to communities to improve the delivery of child care services (including funds for improving child care provider training, lowering child/staff ratios, and providing for comprehensive background checks on child care workers). Another new $500 million fund over five years also would be created to step up enforcement of health and safety standards. Building on the military's model child program, this initiative is designed to help states improve their licensing systems.

Other components of the bill include:

- Creation of a Child Care Provider Scholarship Fund proposed by President Clinton that will enable states to provide 50,000 scholarship funds to students working toward child care credentials each year for the next five years;
- Amending the National Housing Act to authorize the Secretary of Housing and Urban Development to ensure mortgages for child care facilities; and
- Establishment of a child care hotline to connect parents with local agencies to help them identify quality care for their children.

The bill builds on President Clinton's child care proposal as well as those from Rep. Kennelly, Rep. Tauscher, Rep. Hoyer (D-Md.), Rep. Lowey (D-N.Y.), Rep. Woolsey (D-Calif.), Rep. Maloney (D-N.Y.), Rep. Moran (D-Va.), Rep. Allen (D-Maine), and Rep. Slaughter (D-N.Y.).

The $23.3 billion costs of the bill are designed to fall within the context of a balanced budget legislation.

###

Democratic Child Care Proposal

Principles of the Democratic Child Care Proposal

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Sense of Congress: It is the Sense of Congress that the monies appropriated under this bill will occur within the context of a balanced budget and be fully funded.

DEMOCRATIC CAUCUS→

DEMOCRATIC CHILD CARE BILL ORIGINAL COSPONSORS (as of 6/8)

Neil Abercrombie
Gary Ackerman
Thomas Allen
Bob Andrews
John Baldacci
Thomas Barrett
David Bonior
Robert Borski
Leonard Boswell
Rick Boucher
Robert Brady
Corrine Brown
George Brown
Sherrod Brown
Lois Capps
Julia Carson
Donna Christian-Green
William Clay
Eva Clayton
Bob Clement
John Conyers
Elijah Cummings
Danny Davis
Diana DeGette
William Delahunt
Rosa DeLauro
Norman Dicks
John Dingell
Lloyd Doggett
Eliot Engel
Lane Evans
Sam Farr
Chaka Fattah
Vic Fazio
Bob Filner
Martin Frost
Elizabeth Furse
Sam Gejdenson
Dick Gephardt
Bart Gordon
ane Harman
lcee Hastings
ll Hefner

Maurice Hinchey
Ruben Hinojosa
Tim Holden
Darlene Hooley
Steny Hoyer
Sheila Jackson-Lee
William Jefferson
Eddie Bernice Johnson
Joe Kennedy
Patrick Kennedy
Barbara Kennelly
Carolyn Kilpatrick
Nick Lampson
Tom Lantos
Barbara Lee
Sandy Levin
John Lewis
Zoe Lofgren
Nita Lowey
Carolyn Maloney
Thomas Manton
Matthew Martinez
Robert Matsui
Karen McCarthy
Jim McDermott
James McGovern
Carrie Meek
Gregory Meeks
Juanita Millender-McDonald
Patsy Mink
Joseph Moakley
James Moran
Jerrold Nadler
Richard Neal
Eleanor Holmes Norton
James Oberstar
John Olver
Frank Pallone
Donald Payne
Nancy Pelosi
Glenn Poshard
David Price
Nick Rahall
Ciro Rodriguez
Carlos Romero-Barcelo
Martin Sabo

Loretta Sanchez
Max Sandlin
Tom Sawyer
Charles Schumer
Bob Scott
Jose Serrano
Brad Sherman
Louise Slaughter
Debbie Stabenow
Fortney Pete Stark
Ellen Tauscher
Karen Thurman
Estaban Torres
Robert Underwood
Nydia Velazquez
Bruce Vento
Maxine Waters
Henry Waxman
Bob Weygand
Al Wynn
Lynn Woolsey
Sidney Yates

TOTAL: 110

House D's Child Care Bill - 5/20

Amy

CCDBG: ~~$7.5 B~~

- Admin. language and add in Kennelly language on 70% in order to keep the emphasis on the working poor; add language so that not less than 40% of the new CCDBG money goes to 0-3

➜ Cat and Nick will work on this, coordinate with HHS

Child and Dependent Tax Credit:

- Kennelly DCTC language - $5.2B
- Stay-at-Home Credit - $3.5 B
- AMT piece - $1 B

➜ language already drafted

Treasury NICK

Assistance to Businesses:

- ~~Admin. language on tax credit - $500 M~~ Kennelly language
- Tauscher grants to business ~~consortiums~~. Add in ~~language that says~~ TA not limited to those who get the grants. $375 M

➜?

After School Programs: Need language ASAP

- Admin. language with match and community partnerships, put in language to broaden program beyond rural and urban - $800 M
- Woolsey Child and Adult Care Food Program - $200 M
- Hoyer Full-Service Community Schools piece - no cost

➜ Work with Nick to coordinate 21st Century piece; language drafted on Woolsey and Hoyer pieces

Early Learning Fund: we're trying to do it

- Combine Admin with Tauscher certification piece; emphasize special needs - $3 B

➜ Admin

Amy

Standards Enforcement Fund:

- Tauscher language - $500 M

➜ language already drafted

new

Scholarship Fund:

- Admin. language - $250 M

➜ language already drafted

Research and Evaluation:

- Tauscher language ? - $15 M

➜ Look at language

new

6/11 -

Child and Adult Food Program:

- Tauscher language - $225 M just for kids

→ Language already drafted

Children's Development Commission Act:

- Proposed cost $100 million? 10 M?; problems with Davis-Bacon, labor unions, etc.

→ Mary coordinate White House group looking at Kiddie Mac and put them in touch with Sean, can iron details out with Maloney staff

Sean Maloney

Sense of the Congress:

Juvenile Justice

- will encourage use of funds for prevention

→?

Timeline:

May 22 - ~~have ELF piece done to run~~ by Ken
May 29 - have pieces together to submit - Sean will collect
June 3 - absolute date to have bill done
June ~~10~~ 9 or thereabouts - event with FLOTUS participation

26 - Tu
27 W
28 Th
29

Closer in town

Treasury

Nicole

Jen Klein

622-0714
Kiddie Mac

DEPARTMENT OF HEALTH & HUMAN SERVICES · USA

DATE: 5/26

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 : Neera

OFFICE :

ROOM NO :

PHONE NO :

FAX NO : 456-2878

TOTAL PAGES
INCLUDING COVER): 8

FROM:

[ ] MARY M. BOURDETTE

[ ] BARBARA P. CLARK

[ ] GREG JONES

[ ] PATRICIA BRAVO

[ ] AMY LOCKHART

[ ] LAUREN GRIFFIN

[ ] LULA BARNES

REMARKS:

Please share with Jen & Nicole.
Sorry for my scribbles.

June 3 -

Child Care Staff Working Group
Wednesday, May 20
10:30 PM

Democratic Child Care Proposal Agreed Upon Principles:

- Doubles the number of children receiving child care subsidies.
- Increases tax credits for three million working families to help them pay for child care.
- Provides after-school care for up to a million children per year
- Improves child care safety and quality and enhances early childhood development.

- **Total cost over five years should be the same as the President's Proposal of $21.7 billion.**

I. Child Care Block Grant (CCDBG)

- President's Proposal: Provides an additional $7.5 billion in mandatory funding over 5 years through the CCDBG to increase the amount of child care subsidies available to working families, doubling the number of children served by the grant by FY 2003. **At least 70% of the new funding must be used for child care assistance to working, low-income families who are not on welfare. (Kennelly)**

Discussion Item: **Find administratively feasible way to earmark part of new monies for kids age 0-3 yrs.**

II. Child and Dependent Tax Credit Reform:

- Kennelly Proposal: Increases tax credit 50% for families with incomes of $30,000. Above $30,000--credit reduced by one percentage point for each $1000 above $30,000. Eligibility limited to $60,000. Costs are $5.2 billion over 5 years for DCTC.

  *Stay at Home Child Tax Credit (CTC)- for stay-at-home parents with children under 4. The credit would be equivalent to the average increase in tax relief provided to two-worker families with a young child through the expansion of the DCTC. Estimated Costs: $3.5 billion over 5 years.

  Preventing the Alternative Minimum Tax (AMT) from reducing the DCTC (Kennelly). May cost about $1 billion over 5 years. **(Approved)**

designated in President's balanced budget.
(Note: Will refer to piece in President's balanced budget. Not including costs in this bill.)

Amy

onto our leg

House D's Child Care Bill - 5/20

CCDBG: ~~$7.5 B~~

Put 70% 40%

- Admin. language and add in Kennelly language on 70% in order to keep the emphasis on the working poor; add language so that not less than 40% of the new CCDBG money goes to 0-3 *

➜ Cat and Nick will work on this, coordinate with HHS =(give — our language)

Child and Dependent Tax Credit:

- Kennelly DCTC language - $5.2B
- Stay-at-Home Credit - $3.5 B
- AMT piece - $1 B

➜ language already drafted

Treasury Treas. Nick work Treas. NICK Gwyn

Assistance to Businesses:

- Admin. language ~~on tax credit - $500 M~~ Kennelly language
- Tauscher grants to business ~~consortiums~~. Add in ~~language that says~~ TA not limited to those who get the grants. $375 M ?

➜?

Need OMB clearance of after school $ 100 million add partnership + urban/rural

After School Programs: Need language ASAP

- Admin. language with match and community partnerships, put in language to broaden program beyond rural and urban - $800 M + Kennelly
- Woolsey Child and Adult Care Food Program - $200 M
- Hoyer Full-Service Community Schools piece - no cost

(Sending to Treas)

➜ Work with Nick to coordinate 21st Century piece; language drafted on Woolsey and Hoyer pieces

Early Learning Fund: we're trying to do it

Amy

- Combine Admin with Tauscher certification piece; emphasize special needs - $3 B we're doing it.

➜ Admin

Standards Enforcement Fund:

New

- Tauscher language - $500 M

➜ language already drafted

KB Revise Tauscher language

Scholarship Fund:

Amy

- Admin. language - $250 M OK

➜ language already drafted

Research and Evaluation:

New

- Tauscher language ? - $15 M

➜ Look at language

6/11 - Science - Ag Event

Child and Adult Food Program:
- Tauscher language - $225 M just for kids

➜ Language already drafted

Children's Development Commission Act:
- Proposed cost $100 million? 10 M?; problems with Davis-Bacon, labor unions, etc.

➜ Mary coordinate White House group looking at Kiddie Mac and put them in touch with Sean, can iron details out with Maloney staff

Sense of the Congress

Juvenile Justice
- will encourage use of funds for prevention

➜?

Timeline:

May 22 ~~- have ELF piece done to run by Ken~~
May 29 - have pieces together to submit - Sean will collect
June 3 - absolute date to have bill done
June ~~10~~ 9 or thereabouts - event with FLOTUS participation

Sean Maloney

Treasury

Nicole

622-0714 Kiddie Mac

Child Care Working Group
Tuesday, May 19
4:00 PM

Democratic Child Care Proposal Agreed Upon Principles:

- Doubles the number of children receiving child care subsidies.
- Increases tax credits for three million working families to help them pay for child care.
- Provides after-school care for up to a million children per year
- Improves child care safety and quality and enhances early childhood development.

- **Total cost over five years should be the same as the President's Proposal of $21.7 billion.**

I. Child Care Block Grant (CCDBG)

- President's Proposal: Provides an additional $7.5 billion in mandatory funding over 5 years through the CCDBG to increase the amount of child care subsidies available to working families, doubling the number of children served by the grant by FY 2003. **At least 70% of the new funding must be used for child care assistance to working, low-income families who are not on welfare. (Kennelly)**

II. Child and Dependent Tax Credit Reform:

- Kennelly Proposal: Increases tax credit 50% for families with incomes of $30,000. Above $30,000--credit reduced by one percentage point for each $1000 above $30,000. Eligibility limited to $60,000. Costs are $5.2 billion over 5 years for DCTC.

  *Stay at Home Child Tax Credit (CTC)- for stay-at-home parents with children under 4. The credit would be equivalent to the average increase in tax relief provided to two-worker families with a young child through the expansion of the DCTC. Estimated Costs: $3.5 billion over 5 years.

Discussion Item:

- **Preventing the Alternative Minimum Tax (AMT) from reducing the DCTC (Kennelly).** May cost about $1 billion over 5 years.

III. Assistance for Businesses

- President's Proposal: The child care initiative includes a tax credit to businesses that provide child care services for their employees by building or expanding child care facilities, operating existing facilities, training child care workers. The credit covers 25% of qualified costs, but may not exceed $150,000 per year. The President's budget will include approximately $500 million over 5 years for these tax credits.

  Grants to Businesses- Authorizes grants to business consortia to improve access to affordable, local, quality child care services through the states to start child care centers. The consortium must be no fewer than five businesses and must match $2 for every $1 of Federal funds and $1 of state funds. Small business have priority funding. [Costs $75 million a year for 5 years (Tauscher).]

IV. After School Program

- President's Proposal: Provides after school care for up to half a million children per year by expanding the 21st Century Community Learning Center Program by $800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-aged children. **Opens up eligibility to all communities but still give priority to urban and rural areas (Kennelly).**
  After School Snacks: (Woolsey, H.R. 3086) - It expands the number of schools and students eligible to participate in the Child and Adult Care Food Program (CACFP) at after-school programs. Current law only allows low-income kids up to age 13 to get subsidized snacks. This bill would extend that to age 18. Costs: $46 million/ 1st year. $200 million over 5 years.
  Full-Service Community Schools: (Hoyer/ Lowey)- A full-service school integrates the delivery of quality education with whatever health, social and cultural services that are required in that community. **(Note: Directs funds in the President's Proposal towards targeted after-school care and other services to be centered in the school building.)**

Discussion Item:

- **Juvenile Justice:** (Slaughter, H.R. 3400) -Would direct existing juvenile justice funds to after-school prevention programs in areas with high crime levels or significant numbers of at-risk youth. Uses $1.25 billion in Juvenile Justice funds over five years already designated in President's balanced budget.

V. Early Learning Fund

- President's Proposal: Establishes a new Early Learning Fund -- $3 billion over 5 years -- which provides challenge grants to communities (distributed to states) to support programs to improve early learning and the quality and safety of child care for children ages 0-5. **Authorizes the Secretary to make challenge grants to eligible states to improve the quality of child care. States may use the funds in a variety of activities including providing training to providers, improved child-staff ratios, pay for comprehensive background checks, expand parent education activities, <u>and to improve the availability of care for children with special needs.</u>**

VI. Standards Enforcement Fund

- President's Proposal: Sets up enforcement of state health and safety standards. Building on the military's model child care program, this proposed initiative will fund state efforts to improve licencing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. Costs are $500 million over five years. **Background Checks - States must meet certain certification criteria such as background checks, health and safety inspections and have set guidelines for appropriate staff/child ratios for center-based care on child care providers to be eligible for funding through this title. Cost: Certification criteria for states to be eligible for new funds within President's Proposal (Tauscher).**

VI. Child Care Provider Scholarship Fund

- President's Proposal: Increases scholarships and training for child care providers. The President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide Scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance. The President proposed an investment of $250 million over five years which will support 50,000 scholarships per year.

VII. Research and Evaluation Fund

- President's Proposal: The President's budget will increase support for data, research, and evaluation. The research fund will also support a National Center on Child Care Statistics and a child care hotline that parents can call to get information on how to find child care in their communities and how to identify appropriate, quality child care for their children. Costs: $150 million over 5 years. **(Tauscher - Same).**

VIII. Additional Proposals

- **Child and Adult Food Program:** (Tauscher, H.R. 3686) - Amends the National School Lunch Act to increase reimbursement rates for family or group day care homes under the child and adult care food program. Costs are $225 million over 5 years. (First section on Tier 2 program -- $40 million a year, second section on sponsor payments -- $5 million a year.)

- **Children's Development Commission Act**: (Maloney H.R. 3637 Kiddie Mac) - Amends the National Housing Act to authorize the Secretary of Housing and Urban Development to insure mortgages for: (1) new or rehabilitated child care and development facilities, including mortgage insurance for fire safety equipment loans; and (2) purchase or refinance of existing child care and development facilities. Establishes the Children's Development Commission which shall: (1) issue facility standards and compliance certifications; and (2) make loans not in excess of $50,000 for facility rehabilitation or renovation. Authorizes appropriations. Directs the Secretary of the Treasury to conduct a study of the availability of child care facility secondary mortgage markets. Costs:$10 million-- One time allocation of funds, Capped.

- **Sense of Congress** (Tauscher, H.R. 3686) - It is the Sense of Congress that the monies appropriated under this bill will occur within the context of a balanced budget and be fully funded.

AGENDA
Child Care Working Group
May 14, 1998

I. Presentation of Democratic Proposal

II. **Possible Additions:**

- **Juvenile Justice:** (Slaughter, H.R. 3400) -Would direct existing juvenile justice funds to after-school prevention programs in areas with high crime levels or significant numbers of at-risk youth. Costs $1.25 billion over 5 years.
- **Full-Service Community Schools:** (Hoyer/ Lowey)- A full-service school integrates the delivery of quality education with whatever health, social and cultural services that are required in that community.
- **After School Snacks:** (Woolsey, H.R. 3086) - It expands the number of schools and students eligible to participate in the Child and Adult Care Food Program (CACFP) at after-school programs. Current law only allows low-income kids up to age 13 to get subsidized snacks. This bill would extend that to age 18.
- X **Family and Medical Leave Improvements Act of 1997:** (Clay, H.R. 109) -Would amend the Family and Medical Leave Act to provide 24 hours of additional leave that workers may use for greater involvement in their children's education (including school activities, parent-teacher conferences or interviewing for new child care, etc.).
- **Welfare to Work:** Ensure accountability on the part of the states for the provision of child care services to TANF participants and those leaving TANF.
- **Stay-at-Home:** (Kennelly, H.R. 3292) - Extends eligibility of Child Tax Credit (CTC) to stay-at-home parents with children under 4. The credit would be equivalent to the current $500 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.
- **Background Checks:** (Tauscher, H.R. 3686) - States must certify and maintain an enforcement mechanism for conducting background checks on Center-based providers and group home providers without charge to the provider. Costs $5 billion over 5 years.
- **Grants to Businesses:** (Tauscher, H.R. 3686) - Directs the Secretary to make grants to States to provide grants to eligible entities to improve access to affordable, local, quality child care services.
- **Child and Adult Food Program:** (Tauscher, H.R. 3686) - Amends the National School Lunch Act to increase reimbursement rates for family or group day care homes under the child and adult care food program. Costs are $225 million over 5 years. (First section on Tier 2 program -- $40 million a year, second section on sponsor payments -- $5 million a year.)

- **Student Loan Deferral:** (Tauscher, H.R. 3686) - Amends the Higher Education Act of 1965 to provide for student loan deferral for certain child care providers under specified programs for federally insured loans, federally guaranteed loans, and Federal direct student loans. No specific cost known -- the Lazio/Tauscher Amendment (part of Higher Education bill passed authorizing "such sums as necessary".)
- **The Child Care Public-Private Partnership Act:** (Lowey H.R. 2719)- Directs the Secretary of HHS to establish a business incentive grant program to provide child care through public-private partnerships. Costs $75 million over three years.
- **Dependent Care Tax Credit:** (McKinney H.R. 2778) - The Bill makes the credit refundable. If the taxpayer has no liability, i.e. working poor, the amount of available credit would be refunded to the taxpayer. Over five years, the Family dependent Care Affordability Act of 1997 would add $226 million to the revenues of the government. However, without an income cap, the program would cost the federal government $3.78 billion for a five year period.

III. Discussion of Introduction

IV. Adjourn

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

Promoting Safe After School Activities

Title I: Child Care and Development Services

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

Title II: The 21st Century Community Learning Center Program

- Expands 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

- Directs half of the $500 million in new juvenile justice funds to after-school prevention 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.

Full-Service Community Schools

- A full-service community school integrates the delivery of quality education with whatever health, social and cultural services are required in that community. The school draws on both school resources and outside community agencies that come into the school and join forces to provide "seamless" one-stop environments. School buildings are open extended hours every day – before and after school, over weekends, and during the summer.
  Joy G. Dryfoos, "A Look at Community Schools in 1998"

- Jesse Jackson tells the story of a single mom who is trying to get off welfare. Mom and her two children get on the school bus together and go to school. Mom drops the 4 year old off at Head Start, takes the 7 year old to second grade and goes down the hall to her own computer literacy and GED classes. When the family needs immunizations or health screenings, they can go to the school-based clinic. The social services coordinator can help the family find housing, a job, food and health care. The kids know that school is important because mom goes to school, too.

- One model, a modified version of a full-service community school, is the Whitefoord Community Program in Atlanta, Georgia. The program is a joint effort of the Atlanta Public Schools, Whitefoord Elementary School, Emory Pediatrics, and several local organizations. Whitefoord has a school-based health clinic, pre-Kindergarten, a family advocate program, a family resource center, a child care resource center and a family learning center all centered around the local elementary school.

- Several models are currently undergoing evaluation. Early returns are encouraging. For example, data from the Children's Aid Society's schools in New York indicate that reading and math performance has improved compared to other schools in the community school district, 70% of the parents use the Family Resource Center, attendance rates have climbed and suspensions and school violence rates have declined significantly.

- By providing one-stop health and social services within the local school, parents and children will have access to the services they need and the delivery of services will be more efficient and effective.

WHITEFOORD PRE-KINDERGARTEN PROGRAM

The **Whitefoord Pre-Kindergarten Program** is located at 1361 Dupont Avenue. This one room school house provides instruction for 20 four-year old students. The staff consists of a certified teacher and three paraprofessionals. We offer developmentally appropriate activities to foster independence, critical thinking and cooperation between children and children as well as between children and adults. After School Care is also provided. You must come see our one-of-a-kind learning environment specifically decorated with young students in mind.

Phone:404-522-0508

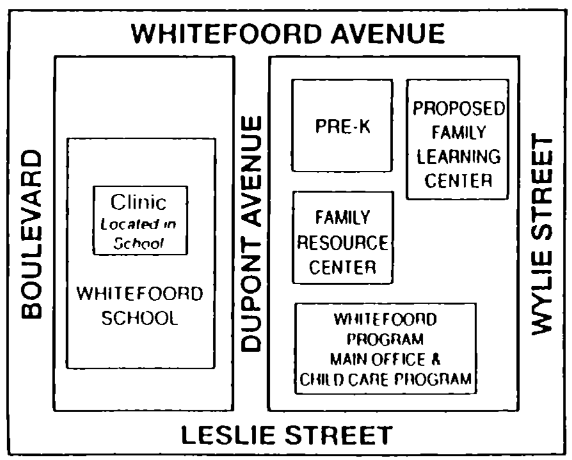
WHITEFOORD FAMILY ADVOCATE PROGRAM

The Whitefoord Family Advocate Program provides family support and advocacy for families and preschool infants and children ages 0 - 5 in the Edgewood catchment area. A trained support person provides in-home visits to families who ask, and assist families to gain access to needed comprehensive services. These visits also will facilitate building close ties between families and the program. The program objective is to promote early intervention, infant stimulation, child development, improve environmental factors and increase the health and nutritional status of these children. The overall goal is to improve school readiness and performance in order to positively affect the future academic and social success of these children and families.

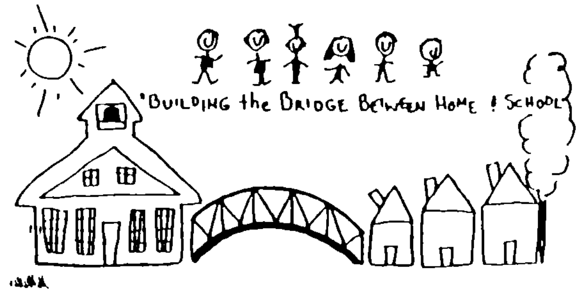
Phone:404-588-0101

WHITEFOORD FAMILY LEARNING CENTER

Communities like Whitefoord usually have many people who would like to learn to read better and to get their General Educational Development (GED). The **Whitefoord Family Learning Center** will be a place where Whitefoord adults can learn to read or work on their GED while they learn how to use a computer. The computers also will have educational programs for preschool children that an adult and child can use together. The Whitefoord Family Learning Center also will have a small classroom where classes like "*How to Read to My Child*", "*How to Take Better Care of My Sick Child*". "*Parenting*" and other topics can be taught. We hope the **Whitefoord Family Learning Center** will be open in the Fall of 1997.



WHITEFOORD COMMUNITY PROGRAM



1353 Dupont Avenue, SE
Atlanta, Georgia 30317-1743

Bus.: 404-523-2500
Fax: 404-522-5100

ISION: *It is our goal to ensure that ery child in the Whitefoord community equipped with everything she or he eds to succeed in school.*

Support Programs Include:

- The Whitefoord Clinic
- The Whitefoord Family Resource Center
- The Whitefoord Child Care Resource Center
- The Whitefoord Pre-Kindergarten Program
- The Whitefoord Family Advocate Program
- The Whitefoord Family Learning Center

A Joint Effort Of

Atlanta Public Schools
Whitefoord Elementary School
Emory Pediatrics
eridian Educational Resource Group
Families First
Save The Children

WHITEFOORD ELEMENTARY SCHOOL

Whitefoord Elementary School provides a safe, supportive, caring environment where every child is encouraged to strive for academic excellence and good citizenship. Instructional leadership of superior quality is provided by Dr. Betty J. Blasingame, Principal. The teachers and staff at Whitefoord believe that "*all children can learn*" and that they are uniquely qualified to effectively teach all the students with dedication, skill, professional excellence and love.

Phone:404-330-4179

WHITEFOORD CLINIC

Whitefoord Clinic is a full service pediatric health clinic located in Whitefoord Elementary School, established through the Pediatrics Department of Emory University and funded by the "Healthy Schools Healthy Communities " grant through the Federal Department of Health and Human Services. The clinic makes health care accessible to the Whitefoord students and their younger siblings. The clinic serves as a site for Georgia Better Health Care. The clinic is staffed by a Pediatrician, Nurse Manager, Nurse Practitioner, full-time Nurse, Social Worker, Health Educator and Medical Secretary.

Phone:404-588-0101

WHITEFOORD FAMILY RESOURCE CENTER

The **Whitefoord Family Resource Center** has as its major emphasis community building by supporting and identifying current assets and strengths of the residents. This service is based on the conviction that communities prosper when built from the inside-out, fully utilizing the existing resources inherent in the community. The work of the Center is to connect children, families and community for self-determination and collective awareness. To this end the Whitefoord Family Resource Center staff supports the community's clarification of its goals and solutions. The current staff consists of a Center Director, a Social Worker, two Community Outreach Workers, a Counselor/Case Manager and a full time Receptionist/Typist.

Phone:404-523-6181

WHITEFOORD CHILD CARE RESOURCE CENTER

The **Whitefoord Child Care Resource Center** provides services and support for registered family child care providers, other caregivers and parents. Our goal is to increase the supply and quality of care for children by organizing and using community partnerships and resources to recruit, train and support caregivers of children.

Support Programs: *Book and Toy Lending Library, Mentor Program, Family Child Care Network, Sick Child Care and Whitefoord Child Care Providers Association.*

Phone:404-523-2500

WOOLSEY AFTER-SCHOOL SNACK PROPOSAL
H.R. 3086

- It expands the number of schools and students eligible to participate in the Child and Adult Care Food Program (CACFP) at after-school programs.

  - Current law only allows low-income kids up to age 13 to get subsidized snacks. This bill would extend that to age 18. We need to keep teenagers in supervised activities after school hours. Schools and community organizations will be more willing to develop programs for low-income teens if they get some help paying for the snacks.

  - Current law only allows after-school programs which have been in existence since 1989 to qualify for subsidized snacks. This was done to limit the cost to CACFP, but it also ends up limiting the number of after-school programs, particularly in low-income neighborhoods. This proposal would eliminate that date, allowing all school and non-profit after-school programs that want to participate to do so.

- The unofficial cost for expanding eligibility for subsidized snacks is $46 million for the first year and $200 million over five years.

SUMMARY OF H.R. 109
THE HONORABLE BILL CLAY

- As it relates to child care, H.R. 109 would amend the Family and Medical Leave Act to provide 24 hours of additional leave that workers may use for greater involvement in their children's education (including school activities, parent-teacher conferences or interviewing for a new school, etc.).

- Promoting greater participation by parents in their children's education should be among the highest priorities of this Committee.

- Providing that workers may use a minimal amount of leave, not more than three typical working days under any circumstance, to participate in school activities, gives workers greater flexibility to meet the competing demands of job and family, and provides the kind of leave most workers need outside of the context of a family or medical emergency.

- While this bill does not guarantee that employees will have this kind of leave, it does ensure that employees will be guaranteed the right to take a minimal amount of leave to participate further in their children's education.

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.

Rep. Tauscher — HR 3686

Synopsis of the "Model States Child Care Enhancement Act of 1998"

This bill authorizes the Secretary of HHS to make challenge grants to eligible states to improve the quality of child care.

- The amount of the block grant is determined by formula. The formula is based on the number of children under the age of 13 in the state, according to Sec. 403(n) of the Social Security Act.

To be eligible, States must certify and maintain an enforcement mechanism for the following:

- That States conduct a criminal background check on Center-based providers and group home providers without charge to the provider.
- The State maintains periodic health and safety inspections for all child care providers. Centers are inspected at least twice a year, group homes are inspected once a year, and family centers are inspected every two years.
- All child care providers receiving assistance under this bill receive training in medical first aid.
- Require that caregivers have specific, minimum training (this will be determined by the Secretary in rule).
- All children in day care in the state receive age-appropriate immunizations in accordance with CDC.
- There is a state law or regulation that requires developmentally-appropriate staff/child ratios for center-based care.
- There is certification that the State utilizes a biannual market rate survey of community child care payment rates in determining child care payment rates under CCDBG.
- states may not lower requirements that they have in place currently that pertain to child care standards.

States must re-apply for funding each year. Funding for all years after year 1 will be based on information from the States that demonstrates that there have been improvements in quality of child care in the State as a result of the grant money given in year 1, and that all eligibility requirements are being met.

Use of Funds: States may use the funds to accomplish the following.

- Provide developmentally-appropriate training to child care providers beyond the minimum training required in the eligibility section of this bill.
- Improve CCDBG compensation for caregivers by utilizing information obtained from the market rate survey.
- Improve child-staff ratios.
- Make grants to persons in the state, on a competitive basis, to be used to make improvements in a current child care setting or center.
- Pay for the cost of comprehensive background checks.
- Expand parent education activities, including the development and operation of community based resource and referral agencies.
- Improve the availability and quality of care for children with special needs.

Grants to Businesses:

- Not fewer than 5 businesses can form a consortium and receive grants through States
- Small Businesses have priority to receive funding.
- Grants may be used to start child care centers which comply with the "eligibility" section of this bill. Centers must also strive to provide the type of care outlined in the "use of funds" section of this bill.
- The business consortium must match $2 for every $1 of Federal Funds and $1 of state funds.

Child Care Standards Enforcement Fund

- State must use these funds for enforcement and inspection of child care standards already on the books. States may not receive these funds if they lower their current standards.

Student Loan Deferral

- Defers loans for students who hold a degree in early childhood education or a related discipline who work for not less than 30 hours a week as a child care provider or as an employee of a child care provider.
- The loan is deferred for a maximum of 2 years during which time the interest accrued will be paid by the federal Government.

Research and Demonstration

- The Secretary is authorized, either through grants, contracts, cooperative agreements, or other arrangements, to carry out research, demonstration projects, and other activities relating to child care. The Secretary must use some funds to measure impacts of effects of federal and state efforts to improve child care.

Amendment to the CCDBG

- Increases funding to $2,000,000,000 for FY1999-2003 to provide additional funds to the working poor and those moving from welfare to work.

Child and Adult Food Program

- Day Care Home Reimbursement - family and group day care homes can be reimbursed at a rate set by the Secretary, for the cost of obtaining and preparing food for children in the day care setting.
- Family and Group Day Care Homes are eligible for this program only if children in their care are eligible for free or reduced price meals under the National School Lunch Act.

It is the Sense of Congress that the monies appropriated under this bill will occur within the context of a balanced budget and be fully funded.

THE CHILD CARE PUBLIC-PRIVATE PARTNERSHIP ACT OF 1997
H.R. 2719
Congresswoman Nita M. Lowey

- The Child Care Public-Private Partnership Act strives to involve the private sector in expanding and improving the child care system.
- The bill provides grants to businesses to assist in paying the cost of start-up child care services or expanding existing on-site services.
- The bill also provides grants to non-profit organizations to work with businesses to develop child care services.
- Child care provided on-site or adjacent to a parent's workplace provides easier interaction between parent and child during a work day, greater opportunities for a parent to monitor a child's care, and easier logistics for a parent's working schedule.
- Studies show that high quality child care can actually help children grow, learn, and thrive. Especially for at-risk children, child care helps children enter school with better language and cognitive skills.
- The cost of the bill is small -- $75,000,000 over three years -- but its effect could be great. Improving our nation's child care system by promoting private sector involvement in the provision of child care would help us safeguard the well-being of our children and support efficient work place policies that improve the lives of children and families.

The Family Dependent Care Affordability Act of 1997 (H.R. 2778)
Rep. McKinney

The Family Dependent Care Affordability Act modifies the dependent care credit in the following respect:

- The bill makes the credit refundable. If the taxpayer has no liability, i.e. working poor, the amount of available would be refunded to the taxpayer.

- The bill would keep the current tax rate of 30% phased down to 20% of allowable day care expenses. However, it would raise the phased down level from $10,000 to $20,000.

- The bill increases the amount of expenses for which the credit is allowed from $2,400 to $3,600 for one child and from $4,800 to $5,400 for two or more children.

- The bill eliminated the credit for taxpayers with income over $50,000 ($80,000 for joint returns).

- The cost estimates prepared by the Joint Committee on Taxation:

- ▸ Over five years, the Family Dependent Care Affordability Act of 1997 would add $226 million to the revenues of the government.

- ▸ However, without an income cap, the program would cost the federal government 3.780 billion dollars for a five year period.

DEMOCRATIC CAUCUS
U.S. HOUSE OF REPRESENTATIVES

Vic Fazio, Chairman
Barbara B. Kennelly, Vice Chair

FAX COVER SHEET

To:

Name: Jen Klein

Organization:

Department:

FAX NUMBER: 456-2878 PHONE NUMBER:

From:

Name: Sean Marcus

Message: This will probably be updated again. I will fax it to you again

Number of Pages (including this cover sheet): 3

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

AGENDA
Child Care Working Group
May 14, 1998

I. Presentation of Democratic Proposal

II. **Possible Additions:**

- **Juvenile Justice:** (Slaughter, H.R. 3400) - Would directly appropriate $1 billion per year to expand before- and after-school child care, and summer and weekend activities for school-aged children (through 15 years old), including children with disabilities, under the CCDBG.
- **Full-Service Community Schools:** (Hoyer/ Lowey)- A full-service school integrates the delivery of quality education with whatever health, social and cultural services that are required in that community.
- **After School Snacks:** (Woolsey, H.R. 3086) - It expands the number of schools and students eligible to participate in the Child and Adult Care Food Program (CACFP) at after-school programs. Current law only allows low-income kids up to age 13 to get subsidized snacks. This bill would extend that to age 18.
- **Family and Medical Leave Improvements Act of 1997:** (Clay, H.R. 109) -Would amend the Family and Medical Leave Act to provide 24 hours of additional leave that workers may use for greater involvement in their children's education (including school activities, parent-teacher conferences or interviewing for new child care, etc.).
- **Welfare to Work:** Ensure accountability on the part of the states for the provision of child care services to TANF participants and those leaving TANF.
- **Stay-at-Home:** (Kennelly, H.R. 3292) - Extends eligibility of Child Tax Credit (CTC) to stay-at-home parents with children under 4. The credit would be equivalent to the current $500 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.
- **Background Checks:** (Tauscher, H.R. 3686) - States must certify and maintain an enforcement mechanism for conducting background checks on Center-based providers and group home providers without charge to the provider.
- **Grants to Businesses:** (Tauscher, H.R. 3686) - Directs the Secretary to make grants to States to provide grants to eligible entities to improve access to affordable, local, quality child care services.
- **Child and Adult Food Program:** (Tauscher, H.R. 3686) - Amends the National School Lunch Act to increase reimbursement rates for family or group day care homes under the child and adult care food program.

- **Student Loan Deferral:** (Tauscher, H.R. 3686) - Amends the Higher Education Act of 1965 to provide for student loan deferral for certain child care providers under specified programs for federally insured loans, federally guaranteed loans, and Federal direct student loans.

III. Discussion of Introduction

IV. Adjourn

PRESIDENT CLINTON'S PROPOSAL:
CHILD CARE THAT STRENGTHENS AMERICAN FAMILIES

January 7, 1998

"No government can raise or love a child. Mothers and fathers do. But government can empower American with the tools they need to meet their most vital responsibilities as parents and workers. So today, I am proud to propose the single largest child care investment in the history of our nation. It is a comprehensive and fiscally-responsible plan to make child care more affordable and accessible, to raise the quality and assure the safety of care for millions of American families. This is an issue that touches nearly every family, one that should rise above politics and partisan interests."

President Bill Clinton
January 7, 1998

President Clinton announces an historic initiative to improve child care for America's working families. The initiative proposes approximately $20 billion over five years for child care, including elements to help working families pay for child care, build a good supply of after-school programs, improve the safety and quality of care, and promote early leaning.

Ensuring affordable, accessible, safe child care. The President's child care initiative responds to the struggles our nation's working parents face in finding child care they can afford, trust and rely on. The new initiative:

- **Makes child care more affordable for working families.** To help working families struggling to meet the costs of child care, the initiative invests $7.5 billion over five years to double the number of children receiving child care subsidies to more than two million by the year 2003. The initiative also invests $4.8 billion over five years to increase tax credits for child care for three million families and provides a new tax credit for businesses that offer child care services to their employees at a cost of $500 million over five years.

- **Increases access to and promotes early learning and healthy child development.** To improve early learning, the initiative includes $3 billion over five years to establish an Early Learning Fund that helps local communities improve the quality and safety of child care for children ages zero to five. The initiative also increases investment in Head Start and doubles the number of children served by Early Head Start to 80,000.

- **Improves the safety and quality of child care.** To help ensure safe, quality child care, the initiative: steps up enforcement of state health and safety standards in child care settings, facilitates background checks on child care providers, increases scholarships and training for child care providers, and invests in child care research and evaluation.

- **Expands access to safe after-school care.** To help create safe, positive learning environments for American school-age children who lack adult supervision during a typical week, the initiative increases the 21st Century Learning Center Program by $800 million over five years to provide after-school care for up to half a million children a year.

Building stronger families for the 21st Century. This initiative is an important part of the President's agenda to strengthen America's families. Because of the President's leadership: federal funding for child care has increased by nearly 70% since 1993; the 1996 welfare reform law increased child care funding by $4 billion over six years; the Healthy Child Care America Initiative is ensuring that children in child care are in safe and healthy environments; Head Start funding has increased more than 57% since 1993, serving more than 830,000 children and their families; and the first ever White House conferences on child care and early development were held in 1997.

PRESIDENT CLINTON ANNOUNCES CHILD CARE INITIATIVE
January 7, 1998

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include **approximately $20 billion over five years for child care, the largest single investment in child care in the nation's history.** President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies** to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by $7.5 billion over 5 years.

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- **Increases tax credits for three million working families to help them pay for child care** by investing $5.~~2~~ billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.

Treasury
talking to
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- **Provides after-school care for up to half a million children per year** by expanding the 21st Century Community Learning Center program by $800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.

- **Improves child care safety and quality and enhances early childhood development** by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.

Child Care Block Grant Increase	$7.5 billion over five years
Child and Dependent Tax Credit Reform	$5.2 billion over five years
Tax Credit for Businesses	$500 million over five years
After-School Program	$800 million over five years
Early Learning Fund	$3 billion over five years
Head Start Increase	$3.8 billion over five years
Standards Enforcement Fund	$500 million over five years
Child Care Provider Scholarship Fund	$250 million over five years
Research and Evaluation Fund	$150 million over five years
TOTAL:	**$21.7 billion over five years**

MAKES CHILD CARE MORE AFFORDABLE FOR WORKING FAMILIES

Doubles the Number of Children Receiving Child Care Subsidies to More than Two Million. The President proposes to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. This block grant is the primary federal subsidy program to pay for child care, enabling low-income parents to work. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. The President's initiative will more than double the number of children served from the one million served in FY 95 (the latest year for which data are available). <u>The President's budget will increase funding for the block grant by $7.5 billion (with a match) over five years, which will enable states to provide subsidies for more than two million children by 2003.</u>

Increases Tax Credits for Child Care for Three Million Working Families. The Child and Dependent Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under $60,000, providing an additional average tax cut of $358 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty ($35,000 for a family of four) that take the maximum allowable child care expenses under the law. <u>The President's budget will include $5.2 billion over five years to expand the Child and Dependent Care Tax Credit for three million working families.</u>

Provides New Business Tax Credits. The child care initiative includes a tax credit to businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, reserving slots for employees at child care facilities, or providing child care resource and referral services to employees. The credit covers 25% of qualified costs, but may not exceed $150,000 per year. <u>The President's budget will include approximately $500 million over five years for these tax credits.</u>

PROMOTES EARLY LEARNING AND HEALTHY CHILD DEVELOPMENT

Promotes Early Learning. Research shows that children's experiences in the earliest years are critical to their development and future success. The President's proposed Early Learning Fund provides challenge grants to communities (distributed by states) to support programs to improve early learning and the quality and safety of child care for children ages zero to five. Funds may be used for the following activities: providing basic training to child care providers (including first aid and CPR); connecting individual child care providers to centers for education and support; assisting child care providers to meet accreditation and licensing requirements; linking child care providers with health professionals; reducing group sizes and child-to-staff ratios; and providing home visits, parent education, and consumer education about child care. The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North Carolina's children enter school healthy and ready to succeed. Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support. The President's budget will include $3 billion over five years for this fund.

Increases Investment in Head Start and Doubles the Number of Children Served by Early Head Start. Head Start provides early, continuous and comprehensive child development and family support services, preparing children for a lifetime of learning and development. The President is committed to reauthorize Head Start and reach one million children by 2002. The President's budget will invest $3.8 billion over five years to keep on track his commitment to serving one million children by 2002, and to double the number of infants and toddlers in Early Head Start to 80,000.

IMPROVES THE QUALITY OF CHILD CARE

Steps Up Enforcement of State Health and Safety Standards. Building on the military's model child care program, this proposed initiative will fund state efforts to improve licensing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. The President's budget will include $500 million over five years for this program.

Facilitates Background Checks on Child Care Providers. On the day of the White House Conference on Child Care, the President transmitted to Congress the National Crime Prevention and Privacy Compact, which will facilitate effective background checks on child care providers by eliminating state law barriers to sharing criminal history information for non-criminal purposes. Although the vast majority of child care providers are dedicated to the teaching and nurturing of children, one tragedy in child care is too many. Background checks are an important way to ensure that the people watching our children are fit for this responsibility.

Increases Scholarships and Training for Child Care Providers. At the White House Conference on Child Care, the President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance received and will earn increased compensation or bonuses when they complete their course work. The President proposed a federal investment of $250 million over five years, which will support 50,000 scholarships per year. The President is also proposing to expand the Department of Labor's Child Care Apprenticeship Program to fund the training of child care providers.

Invests in Research. Because too little is known about our child care system, the President's budget will increase support for data, research, and evaluation. This research fund will also support a National Center on Child Care Statistics and a child care hotline that parents can call to get information about how to find child care in their communities and how to identify appropriate, quality care for their children. In addition, the research fund will support demonstration projects to test approaches to help new parents who choose to stay home to care for their newborns or newly adopted children. The President's budget will include $150 million over five years for this fund.

EXPANDS AND STREAMLINES AFTER-SCHOOL CARE

An estimated five million school-age children spend time as "latchkey kids" without adult supervision during a typical week. Research indicates that during these unsupervised hours children are more likely to engage in at-risk behavior, such as crime, drugs, and alcohol use. To meet this pressing demand, the President is proposing a dramatic expansion of after-school care.

Provides After-School Care for up to Half a Million Children a Year. The President proposes a dramatic expansion of the 21st Century Community Learning Center Program to provide start-up funds (with a local match) to school-community partnerships to establish or expand before- and after-school programs for school-age children. The program increases the supply of after-school care in a cost-effective manner primarily by funding programs that use public schools and their existing resources, such as computers, gymnasiums, and sports equipment. The program also includes a set aside to fund programs run by community organizations. The President's budget will request $800 million of entirely new money for this program, for a total of $1 billion over five years.

Improves Coordination of Federal After-School Initiatives to Help Communities Make Best Use of Existing Resources. The President will put in place a collaborative effort involving numerous federal agencies to eliminate duplication and better coordinate federal funding for after-school programs in three to five pilot cities, including the District of Columbia.

THE PRESIDENT ANNOUNCES NEW COMMITMENT TO EXPAND AFTER-SCHOOL CARE FOR AMERICA'S CHILDREN

January 26, 1998

"[W]e must make sure that every child has a safe and enriching place to go after school... I am proposing the expansion of before and after school programs to help some 500,000 children say no to drugs and alcohol and crime, and yes to reading, soccer, computers and a brighter future for themselves."

-- President Clinton, January 7, 1998

The President today provided further details of his after-school initiative, which will make a $2 billion investment in quality after-school programs. He also announced one of the largest private donations ever made to public education: a gift by C.S. Mott Foundation of up to $55 million over 5 years -- the use of which will be closely coordinated with the Department of Education -- to enhance the quality of before- and after-school programs.

ANNOUNCING THE DETAILS OF THE AFTER-SCHOOL INITIATIVE -- THE LARGEST SINGLE INVESTMENT TARGETED TO AFTER-SCHOOL EVER: As part of his historic child care initiative, the President has made quality after-school programs a national priority. That is why he proposed a dramatic expansion of the Departmen of Education's 21st Century Community Learning Center Program, which will help school-community partnerships create or expand before- and after-school programs. The President today announced the details of this proposal, including: a provision for a local match, which will leverage the funds from this new federal initiative to invest $2 billion overall for after-school programs; better targeting of funds to high-need communities; a requirement that schools work closely with community organizations in establishing these programs; and a set-aside of up to 10 percent of funds for community organizations to establish or expand their own after-school programs.

These efforts will provide quality care for school-age children in a cost-effective manner by primarily using public schools and their existing resources. The expansion of the 21st Century Learning Center Program will promote learning and enrichment programs in such areas as computer skills, the arts, drama, music, community service, and the basic skills. The President's budget will request $200 million per year, for a total of $1 billion over five years. These funds, combined with state match, will provide care for up to 500,000 children each year. For FY 1998, the program is funded at $40 million a year.

ANNOUNCING AN HISTORIC PUBLIC-PRIVATE PARTNERSHIP: The President also announced a donation by the C.S. Mott Foundation of up to $55 million over 5 years for before- and after-school programs. Mott will work closely with Department of Education officials responsible for the 21st Century Community Learning Center Program in making the best possible use of these funds. Through Mott's generosity, the Department of Education will offer regional conferences, beginning next week, to help communities nationwide learn about quality after-school care and take advantage of new federal funds for before- and after-school programs.

ADDRESSING THE HUGE DEMANDS FOR AFTER-SCHOOL PROGRAMS: An estimated five million school-age children spend time as "latchkey kids" without adult supervision during a typical week. Research indicates that during these unsupervised hours children are more likely to engage in at-risk behavior, such as crime, drugs, and alcohol use. In fact, according to FBI statistics, most juvenile crime takes place between the hours of 3 pm and 8 pm. While young people need a safe place after school, only about 1.7 million children from kindergarten through grade 8 were enrolled in 49,500 formal before- and after-school programs of any type. Programs in schools are even more scarce: 70 percent of all public elementary and combined schools do not offer such programs.

HIGHLIGHTING A PROGRAM THAT MAKES A DIFFERENCE: Later today, the First Lady will travel to the Harriett Tubman School in New York City to tour their Virtual Y Program. In addition to its strong focus on building academic skills, the Virtual Y Program also provides a safe and stimulating environment during the hours of the day when children are most at risk. During this visit, the First Lady will discuss how the Administration's after-school initiative will help ensure that children across the country have access to programs as enriching as the after-school program at the Harriett Tubman School.