MEMO

To: Larry Stein
From: Janet Murguia
Subject: Child Care Event Invites
Date: February 11, 1998

The following are the Congressional Members that HHS Legislative Affairs suggested for a bipartisan, bicameral event on child care.

All of the Republican co-sponsors for the Chafee child care bill (S. 1577-- Caring for Children Act) are on the suggested list. But ***not*** all of the Democratic co-sponsors of the Dodd child care bill (S. 19-- Working Families Child Care Act of 1997) are included in the suggested list. HHS consideres the bolded names the most key attendees.

Senate:

Leaders:
- Daschle
- Lott
- Nickles

Labor and Human Resources:
- **Kennedy**
- **Jeffords**
- **Dodd**
- Murray
- Wellstone
- Reed
- Collins
- Coats
- DeWine

Finance:
- Roth
- Moynihan
- **Chafee**
- **Hatch**
- Conrad
- Breaux
- **Moseley-Braun**
- Graham
- Rockefeller

Appropriations:
- **Specter**
- **Harkin**
- **Kohl**

Others:
- **Kerry**
- **Bond**
- **Boxer**
- **Roberts**
- **Snowe**
- Reid
- Landrieu

Jen —
FYI. Attached is an updated "bipartisan" child care list from HHS, plus, Dodd & Chaffee bill cosponsors.
— Janet

<u>House:</u>

Leaders:
- Gephardt
- Bonior
- Gingrich
- Armey

Ways and Means:
- Archer
- Shaw
- **Rangel**
- **Levin**
- **Kennelly**
- **Stark**
- Tanner
- **Johnson**
- Houghton
- **Dunn**

Education and Workforce:
- Goodling
- **Riggs**
- Clay
- Martinez
- **Woosley**
- **Miller, George**
- Roemer
- **Roukema**
- Castle

Appropriations:
- Obey
- Porter
- Hoyer
- **DeLauro**
- Pelosi
- Lowey

Other:
- Norton (women's caucus)
- **Morella**
- Waters (CBC)
- Becerra (Hispanic)
- **Tauscher**
- **Pryce (Deborah)**
- Allen
- McGovern
- Moran
- Stenholm

Bill Summary & Status for the 105th Congress

Item 4 of 46

PREVIOUS BILL | NEXT BILL
PREVIOUS BILL:TITLE | NEXT BILL:TITLE
NEW SEARCH | HOME | HELP | ABOUT TITLE

S.19 (Major Legislation)
SPONSOR: Sen Dodd (introduced 01/21/97)

TITLE(S):

- POPULAR TITLE(S):
  Child Care bill
- SHORT TITLE(S) AS INTRODUCED:
  Working Families Child Care Act of 1997
- OFFICIAL TITLE AS INTRODUCED:
  A bill to provide funds for child care for low-income working families, and for other purposes.

Bill Summary & Status for the 105th Congress

Item 4 of 46

PREVIOUS BILL | NEXT BILL
PREVIOUS BILL:COSPONSORS | NEXT BILL:COSPONSORS
NEW SEARCH | HOME | HELP | ABOUT COSPONSORS

S.19 (Major Legislation)
SPONSOR: Sen Dodd (introduced 01/21/97)

10 COSPONSORS:

Sen Daschle - 01/21/97	Sen Kennedy - 01/21/97
Sen Mikulski - 01/21/97	Sen Rockefeller - 01/21/97
Sen Murray - 01/21/97	Sen Torricelli - 01/21/97
Sen Boxer - 01/21/97	Sen Kerrey - 01/30/97
Sen Kerry - 02/12/97	Sen Landrieu - 10/22/97

Bill Summary & Status for the 105th Congress

Item 1 of 1

PREVIOUS BILL:TITLE | NEXT BILL:TITLE
NEW SEARCH | HOME | HELP | ABOUT TITLE

S.1577
SPONSOR: Sen Chafee (introduced 01/28/98)

TITLE(S):

- SHORT TITLE(S) AS INTRODUCED:
  Caring for Children Act

- OFFICIAL TITLE AS INTRODUCED:
  A bill to amend the Internal Revenue Code of 1986 to provide additional tax relief to families to increase the affordability of child care, and for other purposes.

Bill Summary & Status for the 105th Congress

Item 1 of 1

PREVIOUS BILL:COSPONSORS | NEXT BILL:COSPONSORS
NEW SEARCH | HOME | HELP | ABOUT COSPONSORS

S.1577
SPONSOR: Sen Chafee (introduced 01/28/98)

6 COSPONSORS:

Sen Hatch - 01/28/98	Sen Snowe - 01/28/98
Sen Roberts - 01/28/98	Sen Specter - 01/28/98
Sen Collins - 01/28/98	Sen Helms - 02/02/98

DATE: 2-11-98

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 Tandem — please share		**FROM:**
OFFICE :	[ ]	MARY M. BOURDETTE
ROOM NO :	[ ]	BARBARA P. CLARK
PHONE NO :	[ ]	GREG JONES
FAX NO : ~~456-2878~~ 456-5542	[ ]	PATRICIA BRAVO
TOTAL PAGES (INCLUDING COVER) : 9	[X]	AMY LOCKHART for M.B.
	[ ]	LAUREN GRIFFIN
	[ ]	LULA BARNES

REMARKS:

DEPARTMENT OF HEALTH & HUMAN SERVICES Office of the Secretary

Washington, D.C. 20201

TO: Child Care Group
FROM: Margaret A. Hamburg, M.D.
DATE: February 10, 1998
RE: Child care legislation

Attached are several documents related to child care legislation. They include:

- An update to the 1998 Side-by-Side Summary of Child Care Legislation -- new version dated *February 10, 1998(9:23 am)*.
- A comparison between the President's Initiative and the Chafee bill (S. 1577).
- A comparison between the President's Initiative and the Dodd bill (S. 1610).
- An update to page 14 of the 1997 Side-by-Side Summary of Child Care Legislation (previously distributed -- dated *February 4, 1998(12:53pm)*).

Jennifer Appleton is handling regular updates to these and other documents related to child care legislation. She can be reached at 401-6127.

CHILD CARE LEGISLATION – 105th CONGRESS, Second Session

1998

BILL	Funding Amount	Subsidies	Quality Activities	Other Targeted Child Care Activities	Dependent Care Tax Credits (DCTC)	Employer Incentives	Other Features
President's Child Care Initiative *announced 1/7/98*	$21.7 billion over 5 years.	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.	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 zero to five. Funds may be used for a variety of activities. Also supports enforcement of state child care health and safety standards, provides scholarships to up to 50,000 child care providers per year, facilitates background checks on child care providers, and invests in research and consumer education.	Expands 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, providing after-school care for 500,000 children per year. The President's Initiative also includes 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. Invests $3.8 billion over 5 years in order to meet the goal of serving one million children in Head Start and doubling the number of children served by Early Head Start by 2002.	Invests $5.2 billion over 5 years in the DCTC, increasing tax credits for three million working families with incomes below $60,000.	Includes approximately $500 million over 5 years for tax credits to businesses that provide child care services for their employees, 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 the qualified costs (maximum credit -- $150,000/year).	Includes research on child care issues that could benefit low income families, innovations in the use of technology to promote distance learning and interactive computer programs in provider education and training, and demonstration projects to test new approaches to help new parents who choose to stay home to care for newborns or newly adopted children. Also includes a national center for child care statistics and a child care hotline.

BILL	Funding Amount	Subsidies	Quality Activities	Other Targeted Child Care Activities	Dependent Care Tax Credits (DCTC)	Employer Incentives	Other Features
S. 1577 **Chafee (R-RI)** *introduced 1/28/98* <u>Co-Sponsors</u> Hatch (R-UT) Snowe (R-ME) Roberts (R-KS) Specter (R-PA) Collins (R-ME) **H.R. 3144** **Johnson (R-CT)** *introduced 2/3/98*	----	Provides an additional $5 billion in discretionary funding over 5 years, doubling the discretionary authorization for CCDBG.	Authorizes $50 million per year to increase parents' access to information and to provide technological assistance to child care providers and workers to improve quality of child care. Funds could be used to collect and disseminate information, and for grants to organizations to develop and operate training infrastructure. Requires states to improve inspections and enforce existing state health and safety standards. Provides incentives to states that inspect facilities, as required under state law, and penalizes states that fail to meet inspection minimums.	----	Incomes of less than $30,000 -- credit increased to 50%. Credit reduced by 1% for each $1,500 earned over $30,000. Eligibility is capped at $105,000. Extends eligibility of DCTC to stay-at-home parents with children under 3 and others who do not pay for child care.	Similar to President's Initiative, but credit covers 20% of expenses up to $500,000. Includes a demonstration project which authorizes $60 million over 3 years in competitive grants to encourage small businesses to develop child care programs for their employees. Promotes greater availability of the Dependent Care Assistance Program (DCAP).	
H.R. 3129 **Roukema (R-NJ)** *introduced 1/28/98*	----	----	----	----	----	Authorizes funds through the Department of Education for grants to local educational agencies in order to work with the private sector to provide care to pre-Kindergarten children.	

BILL	Funding Amount	Subsidies	Quality Activities	Other Targeted Child Care Activities	Dependent Care Tax Credits (DCTC)	Employer Incentives	Other Features
H.R. 3135 Wygand (D-RI) *introduced 1/28/98*	----	----	----	----	Makes the DCTC refundable. Incomes of up to $18,000 eligible for 30% credit. Above $20,000 -- credit reduced by one percentage point for each $3,000 above $18,000 (but not below 12%). Increases limit of employment-related expenses to: $4,000 for one qualifying individual; $8,000 for two or more.		

BILL	Funding Amount	Subsidies	Quality Activities	Other Targeted Child Care Activities	Dependent Care Tax Credits (DCTC)	Employer Incentives	Other Features
S. 1610 **Dodd (D-CT)** *introduced 2/4/98* <u>Co-Sponsors</u> Akaka (D-HI) Biden (D-DE) Bingaman (D-NM) Boxer (D-CA) Bumpers (D-AR) Daschle (D-SD) Dorgan (D-ND) Durbin (D-IL) Feinstein (D-CA) Graham (D-FL) Harkin (D-IA) Inouye (D-HI) Kennedy (D-MA) Kerrey (D-NE) Kerry (D-MA) Landrieu (D-LA) Lautenberg (D-NJ) Levin (D-MI) Moseley-Braun (D-IL) Mikulski (D-MD) Murray (D-WA) Reed (D-RI) Reid (D-NV) Rockefeller (D-WV) Wellstone (D-MN)	Approximately $30 billion over 5 years.	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.	Provides $3 billion in mandatory funding over 5 years through CCDBG to encourage states to invest in child care and early childhood development quality activities. Funds may be used for a variety of activities. Mandates that Federal child care centers obtain appropriate state and local licenses and comply with child care licensing requirements.	Expands the 21st Century Community Learning Center program by $1 billion over 5 years to provide funds to encourage schools to create before- and after-school programs. Provides $3 billion over 5 years through the CCDBG to increase the supply and quality of school-age care. Increases the age of children eligible to be served with block grant funds from 13 to 15.	Makes the DCTC refundable. Increases tax credit to 50% for families with incomes of$30,000. Above $30,000 -- credit reduced by one percentage point for each $1,000 above $30,000 (but not below 20%). Limit of employment-related expenses adjusted for inflation. Eligibility limited to $60,000. Allows stay-at-home parents with children under age one to claim a portion of the DCTC, based upon imputed expenses of $90/month (maximum credit $540). Incomes of up to $30,000 eligible for 50% credit. Above $30,000 -- credit reduced by one percentage point for each $800 above $30,000 (but not below zero). Eligibility limited to $70,000.	Authorizes $1 billion over 5 years to create new program of competitive "challenge grants" in which communities which generate funds from the private sector would be eligible for matched federal grants to improve availability and quality of child care. $500 million over 5 years to provide 25% tax credit to employers for operating on-site child care centers, contracting for off-site child care, contributing to the costs of accreditation, or operating resource and referral systems.	Expands the Family and Medical Leave Act to include businesses with 25-50 employees.

COMPARISON BETWEEN THE PRESIDENT'S CHILD CARE INITIATIVE AND THE CHAFEE BILL (S. 1577)

Child Care Subsidies for Working Families
The President's Initiative provides an additional $7.5 billion in mandatory funding over 5 years through the CCDBG; the Chafee bill provides an additional $5 billion in discretionary funding.

Quality activities
The President's Initiative establishes a new Early Learning Fund -- $3 billion over 5 years -- which provides funds to states for challenge grants to communities to support programs to improve early learning and the quality and safety of child care for children under six. Funds may be used for a variety of activities. The Initiative also supports enforcement of state child care health and safety standards, provides scholarships to up to 50,000 child care providers per year, facilitates background checks on child care providers, and invests in research and consumer education.

The Chafee bill authorizes $50 million per year to increase parental access to information and provide technological assistance to child care providers and workers. Funds could be used to collect and disseminate information and for grants to organizations to develop and operate training infrastructure. This bill also requires states to improve inspections and enforce existing state health and safety standards. It provides incentives to states that inspect facilities, as required under state law, and penalizes states that fail to meet inspection minimums.

Other Targeted Child Care Activities
The President's Initiative expands 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, providing after-school care for 500,000 children per year.

Dependent Care Tax Credits (DCTC)
The President's Initiative invests $5.2 billion over 5 years in the DCTC, increasing tax credits for three million working families with incomes below $60,000.

The Chafee bill increases the tax credit to 50% for families with incomes of less than $30,000. Eligibility is capped at $105,000. Also extends eligibility of DCTC to stay-at-home parents with children under 3 and others who do not pay for child care.

Employer Incentives
The President's Initiative includes approximately $500 million over 5 years for tax credits to businesses that provide child care services for their employees. The credit covers 25% of the qualified costs (maximum credit -- $150,000/year).

The Chafee bill is similar to President's Initiative, but credit covers 20% of expenses up to $500,000. The Chafee bill also includes a demonstration project which authorizes $60 million over 3 years in competitive grants to encourage small businesses to develop child care programs for their employees, and promotes greater availability of the Dependent Care Assistance Program (DCAP).

Research and Evaluation
The President's Initiative includes provisions for research on child care issues that could benefit low income families, innovations in the use of technology to promote distance learning, interactive computer programs in provider education and training, and demonstration projects to test new approaches to help new parents who choose to stay home to care for newborns or newly adopted children. It also includes a national center for child care statistics and a child care hotline.

COMPARISON BETWEEN THE PRESIDENT'S CHILD CARE INITIATIVE AND THE DODD BILL (S. 1610)

Child Care Subsidies for Working Families
Both the President's Initiative and the Dodd bill provide an additional $7.5 billion over 5 years in mandatory funding through the CCDBG to increase the number of child care subsidies available to working families.

Quality activities
The President's Initiative establishes a new Early Learning Fund -- $3 billion over 5 years -- which provides funds to states for challenge grants to communities to support programs to improve early learning and the quality and safety of child care for children under six. Funds may be used for a variety of activities. The Initiative also supports enforcement of state child care health and safety standards, provides scholarships to up to 50,000 child care providers per year, facilitates background checks on child care providers, and invests in research and consumer education.

The Dodd bill provides $3 billion in mandatory funding over 5 years through the CCDBG to encourage states to invest in child care and early childhood development quality activities. Funds may be used for a variety of activities. It also mandates that Federal child care centers obtain appropriate state and local licenses and comply with child care licensing requirements.

Other Targeted Child Care Activities
The President's Initiative expands 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; the Dodd bill expands the program by $1 billion over 5 years. The Dodd bill also provides $3 billion over 5 years through the CCDBG to increase the supply and quality of school-age care, and increases the age of children eligible to be served with block grant funds from 13 to 15.

Dependent Care Tax Credits (DCTC)
The President's Initiative invests $5.2 billion over 5 years in the DCTC, increasing tax credits for three million working families with incomes below $60,000.

The Dodd bill makes the DCTC refundable, and increases the tax credit to 50% for families with incomes of $30,000. The limit of employment-related expenses is adjusted for inflation. Eligibility is limited to $60,000. The Dodd bill also allows stay-at-home parents with children under age one to claim a portion of the DCTC, for a maximum credit $540. Eligibility is limited to $70,000.

Employer Incentives
Both the President's Initiative and the Dodd bill include approximately $500 million over 5 years for tax credits to businesses that provide child care services for their employees. The credit covers 25% of the qualified costs (maximum credit -- $150,000/year).

The Dodd bill also authorizes $1 billion over 5 years to create new program of competitive challenge grants, in which communities which generate funds from the private sector would be eligible for matched federal grants to improve availability and quality of child care.

Research and Evaluation
The President's Initiative includes provisions for research on child care issues that could benefit low income families, innovations in the use of technology to promote distance learning, interactive computer programs in provider education and training, and demonstration projects to test new approaches to help new parents who choose to stay home to care for newborns or newly adopted children. It also includes a national center for child care statistics and a child care hotline.

Other Features
The Dodd bill expands the Family and Medical Leave Act to include businesses with 25-50 employees.

February 10, 1998 (11:12am) -- HHS--ASPE

BILL	Funding Amount	Subsidies	Quality Activities	Other Targeted Child Care Activities	Dependent Care Tax Credits (DCTC)	Employer Incentives	Other Features
S. 1492 **Kennedy (D-MA)** *introduced 11/8/97* **H.R. 3027** **H.R. 3028** **DeLauro (D-CT)** *introduced 11/12/97* Co-Sponsors Ackerman (D-NY) DeGette (D-CO) Delahunt (D-MA) Jackson (Kennedy (D-MA) Lowey (D-NY) McGovern (D-MA) Maloney (D-NY) Matsui (D-CA) Meehan (D-MA) Miller (D-CA) Morella (R-MD) Norton D-DC) Olver(D-MA) Pallone (D-NJ) Pelosi (D-CA) Rush (D-IL) Serrano (D-NY) Stark (D-CA) Stokes (D-OH) Waters (D-CA) Weygand (D-RI) Yates (D-IL)	Funding provided to these programs under this Act will supplement, not supplant, existing appropriations. Out of the $650 billion (over 25 years) in the Healthy and Smoke Free Children Act, a substantial portion is allocated toward child care to increase the availability and affordability of quality before- and after-school care.	----	Creates a quality fund within CCDBG, half of which is an incentive fund to reward states that improve quality of their child care programs. Activities would include: • research into early childhood development; • demonstration projects, including public-private partnerships for paid leave to enable mothers with infants to stay at home; • funding for Early Head Start and expansion of Head Start; • expansion of CCDBG grants to increase availability and affordability of quality child care for children or working families ages birth to school age; • incentives to improve the quality of child care.	----	----	----	

DRAFT

CHILD CARE LEGISLATION -- 105th CONGRESS, Second Session
1998

BILL	Funding Amount	Subsidies	Quality Activities	Other Targeted Child Care Activities	Dependent Care Tax Credits (DCTC)	Employer Incentives	Other Features
President's Child Care Initiative *announced 1/7/98*	$21.7 billion over five years.	Provides an additional $7.5 billion in mandatory funds 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.	Establishes a new Early Learning Fund, as well as supports 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.	Expands 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, providing after-school care for 500,000 children per year.	Invests $5.2 billion over five years in the DCTC, increasing tax credits for three million working families with incomes below $60,000.	Provides a new tax credit for businesses that offer child care services for their employees.	Includes research on child care issues that could benefit low income families, innovations in the use of technology to promote distance learning and interactive computer programs in provider education and training, and demonstration projects to test new approaches to help new parents who choose to stay home to care for newborns or newly adopted children. Also includes a national center for child care statistics and a child care hotline.

BILL	Funding Amount	Subsidies	Quality Activities	Other Targeted Child Care Activities	Dependent Care Tax Credits (DCTC)	Employer Incentives	Other Features
S. 1577 **Chafee (R-RI)** *introduced 1/28/98* <u>Co-Sponsors</u> Hatch (R-UT) Helms (R-NC) Snowe (R-ME) Roberts (R-KS) Specter (R-PA) Collins (R-ME) **H.R. 3144** **Johnson (R-CT)** *introduced 2/3/98*	----	Provides an additional $5 billion in discretionary funding over 5 years, doubling the authorization for CCDBG.	Authorizes $50 million per year to increase parents' access to information and to provide technological assistance to child care providers and workers to improve quality of child care. Funds could be used to collect and disseminate information, and for grants to organizations to develop and operate training infrastructure. Requires states to improve inspections and enforce existing state health and safety standards. Provides incentives to states that inspect facilities, as required under state law, and penalizes states that fail to meet inspection minimums.	----	Incomes of less than $30,000 -- credit increased to 50%. Credit reduced by 1% for each $1,5000 earned over $30,000. Eligibility is capped at $105,000.	Provides employers with a 20% tax credit on expenses up to $500,000 for employers who construct, renovate, or operate on- or near-site facilities for child care for employees (maximum credit -- $100,000). Includes a demonstration project which authorizes $60 million over 3 years in competitive grants to encourage small businesses to develop child care programs for their employees. Promotes greater availability of the Dependent Care Assistance Program (DCAP).	Extends eligibility of DCTC to stay-at-home parents with children under 3.
H.R. 3129 **Roukema (R-NJ)** *introduced 1/28/98*	----	----	----	----	----	Authorizes funds through the Department of Education for grants to local educational agencies in order to work with the private sector to provide care to pre-Kindergarten children.	

BILL	Funding Amount	Subsidies	Quality Activities	Other Targeted Child Care Activities	Dependent Care Tax Credits (DCTC)	Employer Incentives	Other Features
H.R. 3135 **Wygand (D-RI)** *introduced 1/28/98*	----	----	----	----	Makes the DCTC refundable. Incomes of up to $18,000 eligible for 30% credit. Above $20,000 -- credit reduced by one percentage point for each $3,000 above $18,000 (but not below 12%). Increases limit of employment-related expenses to: $4,000 for one qualifying individual; $8,000 for two or more.		

BILL	Funding Amount	Subsidies	Quality Activities	Other Targeted Child Care Activities	Dependent Care Tax Credits (DCTC)	Employer Incentives	Other Features
Dodd (D-CT) *introduced 2/4/98* <u>Co-Sponsors</u> Akaka (D-HI) Biden (D-DE) Bingaman (D-NM) Boxer (D-CA) Bumpers (D-AR) Daschle (D-SD) Dorgan (D-ND) Durbin (D-IL) Feinstein (D-CA) Graham (D-FL) Harkin (D-IA) Inouye (D-HI) Kennedy (D-MA) Kerrey (D-NE) Kerry (D-MA) Landrieu (D-LA) Lautenberg (D-NJ) Levin (D-MI) Moseley-Braun (D-IL) Mikulski (D-MD) Murray (D-WA) Reed (D-RI) Reid (D-NV) Rockefeller (D-WV) Wellstone (D-MN)	Approximately $30 billion over 5 years.	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.	Provides $3 billion in mandatory funding over 5 years through CCDBG to encourage states to invest in child care and early childhood development quality activities, such as: bringing provider -child ratios to recommended standards; improving licensing standards; conducting background checks on providers; increasing payment rates for services offered by licensed or accredited providers; improving compensation of providers; assisting providers become licensed or accredited; expanding activities to educate parents on availability and quality of child care; creating support networks for family providers; providing family support and parent education; ensuring availability and quality of care for children with special health needs. Mandates that Federal child care centers obtain appropriate state and local licenses and comply with child care licensing requirements.	Expands the 21st Century Community Learning Center program by $1 billion over 5 years to provide funds to encourage schools to create before- and after-school programs. Allows schools to use the National School Lunch Program to provide nutritious meals or snacks to children in afterschool programs. Provides $3 billion over 5 years through the CCDBG to increase the supply and quality of school-age care. Increases the age of children eligible to be served with block grant funds from 13 to 15.	Makes the DCTC refundable. Incomes of up to $30,000 eligible for 50% credit. Above $30,000 -- credit reduced by one percentage point for each $1,000 above $30,000 (but not below 20%). Limit of employment-related expenses adjusted for inflation. Eligibility limited to $60,000.	Expands the Family and Medical Leave Act to include businesses with 25-50 employees. Authorizes $1 billion over 5 years to create new program of competitive "challenge grants" in which communities which generate funds from the private sector would be eligible for matched federal grants to improve availability and quality of child care. $500 million over 5 years to provide 25% tax credit to employers for operating on-site child care centers, contracting for off-site child care, contributing to the costs of accreditation, or operating resource and referral systems.	Allows stay-at-home parents with children under age one to claim a portion of the DCTC, based upon imputed expenses of $90/month (maximum credit $540). Incomes of up to $30,000 eligible for 50% credit. Above $30,000 -- credit reduced by one percentage point for each $800 above $30,000 (but not below zero). Eligibility limited to $70,000.

GOP Leadership Crafting Alternative Childcare Plan

Members of the Senate GOP leadership have backed off plans to introduce a package of childcare initiatives

HEALTH

— mostly tax cuts — until they find out how much money they will have for those cuts in the context of the budget resolution, aides said Tuesday.

Leadership sources earlier this year said they were working to develop a childcare package to counter President Clinton's plan, which they argue relies too much on federal programs.

Just after the president announced his plan, **Senate Environment and Public Works Chairman Chafee, Judiciary Chairman Hatch** and other GOP senators unveiled a package of childcare initiatives as an alternative to the unannounced GOP leadership package.

But because the leadership — led by **Senate Republican Policy Committee Chairman Larry Craig** of Idaho — wants to focus on childcare tax cuts, deductions and other incentives, aides said they need to wait for the budget resolution to find out how much money is available for a childcare initiative.

Senate Labor and Human Resources Children and Families Subcommittee Chairman Dan Coats, R-Ind., also is heading up the leadership's efforts.

How much money the budget resolution allows for childcare will determine which tax breaks Craig and Coats can choose for the package, aides said.

At least a dozen tax incentives are under consideration — including a childcare expense deduction or exemption, raising the per child tax credit for children under ages five or six, deductions for those working at offices in their home, and tax incentives for businesses to set up on-site child care.

Also, conservatives are putting pressure on Republicans to give families that care for children at home some type of childcare benefit.

One option being considered is "income splitting" in which the working parent's income level would be divided between two people on a tax return, reducing their overall tax rate. Aides said that option is very expensive.

Chafee's childcare plan, which also contains some tax breaks, would cost $12 billion to $14 billion over five years, of which $5 billion is to expand childcare development block grants.

Clinton's plan would cost $21.7 billion over five years, while a plan being developed by **Sen. Christopher Dodd**, D-Conn., would cost even more.

The GOP leadership has appointed **Republican Conference Vice Chairwoman Jennifer Dunn** of Washington and **Conference Secretary Deborah Pryce** of Ohio to develop a Republican childcare plan for the House.

The House today will take up a resolution on the floor stating that part of any new childcare proposal should be directed toward children raised by a stay-at-home parent.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release **February 5, 1998**

STATEMENT BY THE PRESIDENT ON CHILD CARE

Earlier this week, I submitted my budget proposal to Congress. I am proud that this budget -- the first balanced budget in a generation -- includes an ambitious initiative to make child care better, safer, and more affordable. Yesterday, we moved closer to achieving meaningful child care legislation because of an important step taken by Senator Chris Dodd and many of his Democratic colleagues in the Senate. Senator Dodd has introduced a comprehensive child care package that, like mine, significantly increases child care subsidies for poor children, provides greater tax relief to help low- and middle-income families pay for child care, creates a tax credit for businesses that provide child care for their employees, increases after-school opportunities for children, promotes early learning, and improves child care quality.

In putting forward this proposal, Senator Dodd and his co-sponsors have built on their longstanding commitment to improving child care for our nation's children. I was also pleased that, last week, a group of Republicans introduced a promising child care proposal. I look forward to working with the Congress on a bipartisan basis to enact child care legislation this year that will help Americans fulfill their responsibilities as workers, and, even more importantly, as parents.

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Blueprint for Child Care

1. Administration transmittal of initiative to hill

    SOU and Budget
    Bill -- Legislative Language ?
        individual pieces
        omnibus
        transmitted or tech assistance
    Specs?
    President/Secretary letters
    Secretarial testimony
        HHS, Treasury - SFC/W-M

Relationship to TOBACCO politics?

2. Legislative Sponsors/Leaders

    Omnibus?
        Leadership - Daschle/Gephardt
    Bipartisan?
    Individual pieces - parse out
        CCDBG -- Mandatory funds under jurisdiction of Finance Committee and Ways and Means Committee
            sponsors? - Conrad, Moseley-Braun, Rockefeller, Breaux, Jeffords, Chafee, D'Amato
                plus Kennedy/Dodd/Jeffords
            Rangel, Levin, Kennelly, Tanner, Johnson,

        Early Learning Fund - who's jurisdiction? Finance or Labor? W/M or Ed & Workfce.?
            Kerry, Bond, Kennedy, Dodd, others
            Roemer, Martinez, Woolsey, DeLauro

        Other quality pieces - jurisdiction?
            Enforcement Fund
            Scholarships
            Research and Evaluation

        After School -
        Tax

3. Policy Issues:

    CCDBG - Mandatory? Match? Targeted to working? Formula - same different?
    Early Learning Fund
        mandatory? set aside of mandatory funds, new mandatory pot, set-aside of discretionary pot, what about old set-aside? formula? substate formula?
    Other Quality activities - part of CCDBG? mandatory/discretionary part? part of Early Learning Fund?
    After School - relationship to CCDBG

Major Child Care Proposals

(All dollar figures are over five years)

President's Proposal	CIDCARE Act, S. 1037 sponsored by Jeffords (R-VT) / Dodd (D-CT)	Early Childhood Development Act of 1997, S. 1309 sponsored by Kerry (D-MA) / Bond (R-MO)	Healthy and Smoke Free Children Act, S. 1492[1] sponsored by Kennedy (D-MA)	Caring for America's Children Act, S. 1577 sponsored by Chafee (R-RI)/ Hatch (R-UT)	The Child Care A.C.C.E.S.S. Act, S. 1610 sponsored by Dodd (D-CT)/ Daschle (D-SD)
Affordability Increases the child care block grant by **$7.5 billion** (mandatory) to help low-income parents pay for child care	This bill uses the tax code to address affordability issues. No direct subsidies for child care	Increases the child care block grant by **$3.75 billion** (mandatory) to help low-income families with children under five pay for child care	Increases the child care block grant by **$5.4 billion** (mandatory) to help low-income families pay for child care	Increases the child care block grant by **$5 billion** (discretionary) to help low-income parents pay for child care Provides **$180 million** (discretionary) for a small business child care grant program to assist employees working for small businesses	Increases the child care block grant by **$7.5 billion** (mandatory) to help low-income families pay for child care
Quality **$3 billion** (mandatory) for an Early Learning Fund to improve quality **$500 million** (discretionary)[2] to improve standards and enforcement **$250 million** (discretionary) for scholarships and improving compensation for child care workers **$150 million** (discretionary) for research and development	**$260 million** (discretionary) to assist states in improving the quality of child care, including 20% for improving staff salaries, and initiation of a national public awareness campaign by Dept. of Health and Human Services **$50 million** (discretionary) for technology-based child care education and training Expands eligible activities for child care block grant to enable localities to renovate or upgrade child care facilities Provides larger tax credits to those using accredited child care Allows for loan forgiveness for child care workers who earn degrees in early childhood education or related degrees Additional tax exemptions for costs related to child care credentialing	**$3.75 billion** (discretionary)for states to support local collaboratives to improve the quality of care for children ages zero to five Sets aside part of the child care block grant to improve the quality and expand the supply of infant care	Increases the child care block grant by **$5.4 billion** (mandatory) to improve the quality of child care. Includes an incentive fund to reward states who make special efforts to improve quality Additional funds provided for training and compensation for child care workers	A minimum of 4% of child care block grant funds are setaside to improve quality. States can use funds to improve quality, supporting activities such as teacher training, reducing child/staff ratios, parent education and family support Requires inspections and enforcement for receipt of full child care block grant money. Ten percent bonuses are available for states exceeding a threshold; 10% penalties will apply to states not meeting a minimum threshold. **$250 million** (discretionary) to assist in the development of distance learning child care training technology infrastructures and to develop model technology-based training courses for providers and child care workers.	Increases the child care block grant by **$3 billion** (mandatory) to improve the quality of child care. States can use funds to improve quality by supporting activities such as: reducing child/staff ratios; enforcement of licensing standards through unannounced inspections; conducting background checks; improving training and compensation for child care providers; establishing links between child care services and health care services; providing consumer education on the availability and quality of care, including the development and operation of resource and referral services; ensuring availability and quality of services for children with special health care needs. Creates a new **$1 billion** (discretionary) program of competitive "challenge grants" to improve the availability and quality of care. Communities could receive matching federal funds for funds generated in the private sector. Also extends the Family and Medical Leave Act to employers with 25 or more workers.

Children's Defense Fund, 2/6/98

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School-Age Care Increase 21st Century Learning Centers by **$800 million** (discretionary) to help schools provide after-school care	- 0 -	- 0 -	Increases the child care block grant by **$5.4 billion** (mandatory) to start, operate, or expand programs for school-age children	School-age care is an option under the child care block grant and an eligible use of funds under a new small business child care grant program	Increases the child care block grant by **$3 billion** (mandatory) to increase the supply and quality of school-age care. Also increases the age of children eligible for the block grant funds to 15 from 13 years old. Through the 21st Century Community Learning Centers, provides **$1 billion** (discretionary) to encourage schools to create before and after-school programs.
Head Start **$3.8 billion** (discretionary) to expand Head Start and Early Head Start	- 0 -	**$3.6 billion** to expand Early Head Start	**$6.75 billion** (mandatory) to expand Head Start **$2.7 billion** (mandatory) to expand Early Head Start	-0-	-0-
Tax Credits **$5.2 billion** to expand child care tax credits for middle-income families earning below $58,000 **$500 million** for employer tax credits	Makes the child care tax credit refundable and includes other improvements to the credit Tax credit for employers who contribute to child care arrangements for their employees including start-up costs, professional development, wage subsidies, and operating expenses. Tax credit for 50% of employer's annual child care expenses capped at $150,000. Charitable deduction for donating educational equipment and materials to public schools, accredited or credentialed nonprofit child care providers and public or nonprofit child care support entities. Allows dependent care assistance plan funds to be used for 12 months by mother (for at-home or out of home care)	- 0 -	- 0 -	Expands child care tax credit for families with income up to $75,000, doubles the size of the maximum credit for families with income under $30,000. Caps child care credit at income of $105,000. Allows a tax credit for stay-at-home mothers with children under 4 years old with family incomes up to $105,000. **$4 million** (discretionary) for the Dept. of Labor to launch an awareness campaign about the Dependent Care Assistance plan that allows employees to setaside up to $5,000 in income for tax free reimbursement of child care expenses. Provides a 20% credit on expenses of up to $500,000 for businesses to provide child care to employees or assist them with the cost of child care	Adjusts the sliding scale of the child care tax credit to increase the credit for families earning under $60,000. Indexes the current expense limits for inflation. Makes the credit refundable for families earning under $30,000. Allows parents who do not work outside the home with children under the age of one, to claim a portion of the child care tax credit. This credit would be refundable for families earning under $30,000, and is phased out for families earning over $70,000. **$500 million** to provides a 25% tax credit to employers for operating on-site child care centers, contracting for off-site child care, contributing to the costs of accreditation or operating resource and referral systems.

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Total Spending[3] **$21.7 billion** including Head Start and Early Head Start	Tax provision cost estimates are not yet available. Discretionary grants total **$310 million**	**$11.1 billion** including Early Head Start	Approximately **$30 billion** including Head Start and Early Head Start	Estimates are not yet available.	Approximately **$15 billion** not including the tax credits. Tax provision cost estimates not yet available.

[1] S.1492 specifically allocates approximately $30 billion for child care related services. States are also offered an additional $20 billion to use for a variety of federal children's programs, including the Child Care and Development Block Grant and Head Start. As part of the $30 billion, $1.35 billion is earmarked for increasing early intervention services for children with disabilities under Part C of the Individuals with Disabilities and Education Act (IDEA).
[2] Discretionary money is money that has to be appropriated each year. Therefore, there is no guarantee that Congress will fund a discretionary program at any particular level.
[3] All monetary figures are spending amounts over five years, unless otherwise specified.