

WHITE HOUSE CONFERENCE ON EARLY CHILDHOOD DEVELOPMENT AND LEARNING POLICY ANNOUNCEMENTS

Today, the President and First Lady are hosting *The White House Conference on Early Childhood Development and Learning: What New Research on the Brain Tells Us About Our Youngest Children*. The day-long conference highlights new scientific findings on brain development in very young children and points to the importance of children's earliest experiences in helping them get off to a strong and healthy start and reach their full potential.

Clinton Administration Commitment to Young Children. The Clinton Administration has invested heavily in research to help us better understand the importance of the first few years of life to child development and learning. President Clinton has also strengthened efforts to support families with young children by investing in Head Start and Early Head Start, the WIC Supplemental Nutrition Program, immunization and other early childhood programs.

At the conference, the President will make a series of policy announcements that build on the Clinton Administration's commitment to young children:

Improving the Quality of Child Care By Learning from the Military. Child care experts believe that the military child care system is now the best in the country. The President is issuing an executive memorandum directing the Secretary of Defense to use the Department's expertise to help improve child care across the nation. The memorandum urges the Department to consider: (1) creating partnerships with civilian child care centers in the community to help them improve quality; (2) providing training courses for civilian child care providers; (3) sharing the materials and models for worker training, accreditation and evaluation, facility design, financing, and other ingredients of the military's success; and (4) working with States and local governments to enable military child care facilities to serve as training sites for welfare recipients moving from welfare to work.

Providing Health Coverage for Children. The President's fiscal year 1998 budget includes a children's health initiative that will extend coverage to up to 5 million uninsured children by the year 2000 by strengthening Medicaid for poor children, building innovative State programs to provide coverage for working families, and continuing health coverage for children of workers who are between jobs. Today, the Association of American Medical Colleges issued a letter of support for the Clinton Administration's children's health proposal.

Importance of Early Education. The President recognizes that children must be nurtured and stimulated in the earliest years. That is why he is announcing two initiatives geared toward early learning.

- **Expanding Early Head Start.** The Department of Health and Human Services is requesting proposals for new Early Head Start programs to expand Early Head Start enrollment by one-third next year. Created by the Clinton Administration in 1994, the Early Head Start program brings Head Start's successful comprehensive services to families with children ages zero to three and to pregnant women.
- **Giving Parents and Caregivers Early Childhood Tools.** The President's America Reads

Challenge is releasing “Ready*Set*Read” early childhood development activity kits. The kits offer suggestions to families and caregivers about developmentally appropriate activities for children ages zero to five. They will be distributed in May to early childhood programs across the country and to callers to the Department of Education’s 1-800-USA-LEARN hotline.

Safe Start. The Department of Justice is establishing “Safe Start” to change the way law enforcement officers respond to children who are the victims of or witnesses to violence. The program will provide training on early childhood development to community police officers, prosecutors, probation and parole officers, school personnel and mental health providers. It will better prepare law enforcement officials to respond to young children exposed to violence and can help prevent today’s children from turning into tomorrow’s criminals. The initiative is built on the successful partnerships between community police officers and mental health providers funded by DOJ in New Haven, Connecticut and three other communities.



**Department of Defense
Child Development Program
Partnership with Health & Human Services**

What will a partnership between DoD and HHS mean to the country? Military child care programs have improved dramatically over the last ten years and have attained a well-deserved reputation for being on the cutting edge of child care in America. During this time, DoD management and policy makers have learned a lot about what makes a difference in the day to day lives of children. The military's holistic and systemic approach to meeting the needs of military families especially those with very young children stands out as a model for state and local agencies. DoD is committed to providing quality, affordable options for families. Five factors have contributed to the military success story.

- First among five elements is a recognition that quality costs more than most parents can afford to pay. The DoD is committed to a prescribed level of funding for all Child Development Programs. In military centers, there is a dollar for dollar match of appropriated funds to parent fees. In family child care programs we provide indirect financial support through equipment lending libraries, low or no cost insurance options and training. In many instances we provide direct cash subsidies as incentives for family child care providers to care for infants. Funds allow both centers and homes to provide stimulating environments that are staffed with trained personnel and appropriately equipped.
- The second element of quality is strict oversight of all programs, and adherence to standards. There are comprehensive unannounced inspections for all facilities and programs with a mandatory correction of deficiencies within 90 days. Non-compliance can, and has, resulted in closure. As a result, facilities and programs are in good repair, and there is high quality, institutional grade equipment that contributes to the cognitive development of children.
- The third and perhaps most critical element directly linked to program quality is the wage and benefits package that contribute to low staff turnover. Military caregiver wages and benefits average approximately \$10 per hour compared to the minimum wages in the civilian community. While most civilian child care employers offer few or no benefits to direct care staff, military staff have a full range of benefits. Because of low turnover children have the continuity of care so vital to their healthy development.
- Fourth and related directly to quality, is training. Training is tied to wages, and an "up-or-out" personnel policy requiring the completion of training programs. All training is competency based and caregivers not performing appropriately are not retained.
- Finally, the commitment for all military child development centers to meet national accreditation standards has provided an outside evaluation previously missing. The combination of the DoD certification and the national accreditation provides a comprehensive review of all center programs.

By sharing the "the military experience" DoD can provide unique expertise to state and local governments seeking to improve the quality of child care. As a result parents and children not associated with the Military can benefit from these systems and "lessons learned". As noted in the 1992 Congressional Record *"the precedent was set for the military to be the national agent of change in child care, as it has been in areas such as integration and drug interdiction."*

April 1997

Building on the Military's Model To Improve Child Care Quality

The military has been extremely successful in improving the quality of child care by adopting a unique strategy that includes five key elements: financial support for programs, enforcement of standards, accreditation, strong family child care networks, and training linked to compensation. Building on the military's model of improving child care quality, the President/First Lady could announce efforts to promote and expand these five critical elements that research and experience show are key to ensuring quality child care and ultimately children's language and cognitive development.

The announcement could include:

Release of a report on how the military is working with the civilian community to expand the military's child care quality model (pending DOD).

The establishment of an incentive fund for states to develop strategies to improve care based on these five key elements (funds would have to be identified).

Plans to provide technical assistance (TA) on these key elements, beginning with special sessions at the national conference of all states in July and the dissemination of promising practices from across the states. (Child Care Bureau could incorporate this into the planning for the National Conference of State Child Care Administrators that will be held in June).

The development of an ongoing interagency workgroup to devoted to ways other agencies can assist in improving the quality of care based on the military model (chaired by HHS and DOD).

A challenge to the nation's governors that acknowledges the flexibility they have in the use of the new child care funds and encourages them to double their efforts on quality by incorporating the military model in their July plans.

A challenge to the business community to invest in quality improvements, highlight those promising efforts going on across the country and announce the HHS TA effort to provide TA to states on reaching out to the business community.

In addition, other efforts could be highlighted in such an announcement such as Early Head Start expansion and the release of "Stepping Stones to Using Caring for Children," a new guide produced by HHS which provides key information on how best to promote the health and safety of children in child care.



Office of the Deputy Assistant Secretary of Defense
(Personnel Support, Families & Education)

cc: Melanne Verveer
Bruce Reed
Ten Klein
Nicole Rabner
(+rehun)

DATE: April 8 # OF PAGES (INCLUDING COVER) 4

FAX #: 202 456 2878 7038

TO: Elena Kagan

FROM: Carolyn Becraft

MESSAGE: Attached is the response requested
by your office to highlight the Department
of Defense's child care program. A hard
copy will follow.

Susan Roberts



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
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FORCE MANAGEMENT
POLICY

APR 8 1997

Ms. Elena Kagan
Deputy Assistant to the President
for Domestic Policy,
Old Executive Office Building
1600 Pennsylvania Avenue
Washington, DC 10000

Dear Ms. Kagan:

The following is provided in response to your questions regarding the Department's efforts in child care for children zero to three. The Military Child Development Programs have attained a well-deserved reputation for being on the cutting edge of child care in America. We are proud of our systemic approach to the four components of military child care: child development centers, family child care, resource and referral and school-age care. Our commitment is to provide a quality experience for children regardless of setting. We strive to ensure *equal treatment for all components especially family child care homes*. We believe much of our success comes from our efforts to provide a variety of quality and affordable options for families rather than focus on centers only. It should be noted that we do not guarantee every family their first choice of child care options. Our goal is to provide at least one affordable child care option for every family that needs child care. It should also be noted that we view the appropriated fund support as a program subsidy not an individual family subsidy. Five key reasons for our success are:

1. The DoD commitment to a prescribed level of funding for Child Development Programs. In military child development centers, there is a dollar for dollar match of appropriated funds to parent fees. In our family child care homes we provide indirect financial support through extensive equipment lending libraries, low or no cost insurance options and free training. In many instances we also provide direct cash subsidies for family child care providers to provide incentives to care for infants. This commitment of funds allows military programs to provide stimulating environments that are staffed with trained personnel and appropriately equipped both indoors and out.
2. Strict oversight and accountability of programs, and adherence to standards including four comprehensive unannounced annual inspections for all facilities and programs; one by a representative of higher headquarters. There is mandatory correction of deficiencies within 90 days or the program must either apply for a time restricted waiver with adequate compensatory measures or close. (As a result, facilities and programs are in good repair, and there is high quality, institutional grade equipment that contributes to the cognitive development of children). These inspections result in DoD certification of the program. Certification is closely monitored. Contributing to comprehensive program oversight is the



DoD "Hotline". It is well publicized and accessible world wide. Identified or anonymous callers can either report child abuse or safety violations at Military Child Development Programs or facility deficiencies. Those reports are diligently tracked until a satisfaction is achieved.

3. Wages and benefits that contribute to low staff turnover compared to the private sector. Military child development center caregiver wages and benefits average approximately \$10 per hour compared to the minimum wages in the civilian community. While most civilian child care centers offer few or no benefits to direct care staff, most military child care staff have a full range of benefits. As a result of wages and benefits, military caregivers tend to stay in our child care programs, and the result is that children have continuity of care so vital to their healthy development.
4. Required basic training of caregiving staff which is tied to wages and an "up-or-out" caregiving personnel policy requiring the completion of training requirements. All training is competency based and caregivers who do not meet the performance requirements are not retained.
5. Commitment for all military child development centers to meet national accreditation standards. The combination of the DoD certification and the national accreditation standards provides a comprehensive review of all center programs.

As you are aware, Congress has asked DoD to report on the status of any initiatives which improve the Military Services Child Development Program so as to benefit civilian child care providers in communities in the vicinity of military installations. Although we have not completed the report, the Military Services have offered the following suggestions that could assist civilian child care programs:

- Local military bases could partner with state and county efforts to provide employment opportunities for welfare recipients. Military programs could provide on-the-job-training opportunities, for recipients needing work experience and knowledge of child care program "best practices". Because the competency-based training programs are a key to the quality of military child care, they could serve as a source of training for civilians. As in the case of Quantico Marine Corps Base, VA., the county is paying the salaries of personnel placed in the centers for 90 days of training in child care practices. Their child care is paid by the county. In exchange, the Quantico Child Development Center gets additional no-cost staff to supplement existing staff. A similar program could be established for family child care providers.
- Each military installation child development program within the United States could "adopt-a-center" in their local community. The Child Development Program staff could assist with local accreditation efforts, help validate the centers' accreditation self study process, train management and direct care staff, mentor caregiving staff working on their child development associate degree, and model/coach effective child care techniques.

- Military regional "Child Care Programs of Excellence" or "Master Programs" could be established within existing military programs in densely populated areas where several military Services co-exist (e.g., Washington, D.C. Tidewater, VA, Southern California, etc.). These magnet "laboratory programs" would demonstrate effective child care practices in each of the child care components (centers, family child care homes and school-age care). Particularly beneficial would be education and training in the area of infant/toddler curriculum and environments since many civilian programs have limited amounts of infant/toddler care. Local civilian child care management trainees could spend two to three weeks in these centers with "hands-on" learning experiences, being taught and coached by the centers' Training and Curriculum Specialists and military management staff. These "Master Programs" could be modeled on corporate concepts such as "Motorola University" or Disney's training program for executives where staff attend training before going to work for the corporation.
- Military Training and Curriculum Specialists could provide "hands-on" training for local requesting child care centers to train and follow-up direct care staff in the child development associate 13 competency areas, and other areas as needed.
- DoD could make the military standard facility and playground designs available to the civilian community.
- DoD could provide "Benchmarks" in the areas of cost, compensation, evaluation, standards, and environments on which local child care programs could evaluate themselves.

My point of contact in the Office of Family Policy is Linda K. Smith, Director, Office of Family Policy, 696-5733.

Sincerely,


Carolyn H. Becraft
Deputy Assistant Secretary of Defense,
(Personnel Support, Families and Education)



Department of Defense Child Development Program

SUBJECT: Military Child Care Program Accreditation

BACKGROUND: The Military Child Care Act (MCCA) of 1989 required DoD to conduct a program to require 50 military child development centers meet standards necessary for accreditation by an appropriate national early childhood program accrediting body and achieve accreditation. The 50 accredited centers were to serve as "demonstration programs" from which other non-accredited centers could learn about best practices. DoD identified the standards established by the National Academy of Early Childhood Programs as the accrediting standards DoD centers would meet. These standards were developed in 1985 and are recognized nationally as standards of excellence in programs for young children. By the end of 1992, 55 DoD child development centers were accredited by the National Association for the Education of Young Children (NAEYC).

The Rand Corporation conducted a study on accreditation for DoD, entitled "Examining the Effects Accreditation on Military Child Development Operation and Outcomes," published 1994. The study affirmed that accreditation improved the quality of care and child outcomes. Increased parent communication and staff morale were also cited as benefits of accreditation.

CURRENT STATUS: The 1996 Defense Authorization Act which codified the Military Child Care Act of 1989, required all eligible military centers meet standards necessary for accreditation. Currently 72 percent of all eligible military centers have achieved accreditation from NAEYC as compared to the national average of 7 percent.

ACCREDITATION RATE BY MILITARY SERVICE:

<u>Service</u>	<u>Eligible Centers</u>	<u>Accredited Centers</u>	<u>Percent Accredited</u>
Air Force	145	143	98%
Army	154	126	82%
Navy	135	58	42%
<u>Marine Corps</u>	<u>31</u>	<u>10</u>	<u>32%</u>
DoD TOTAL	466	337	72%

The remaining 129 centers are in the required self-study process, waiting for a validation visit or the results of their validation visit from NAEYC.

April 1997

Chronology Of Department Of Defense Child Development Program

Prior to 1978 - Child care was provided by private groups such as parents and wives clubs usually on an hourly basis during social events.

1978 - Child Care was recognized as an official Morale Welfare and Recreation Program in DoD Directive 13130.2, dated March 17, 1978.

1982 - Congress approved appropriated funds to construct child care facilities as a result of an earlier DoD policy change on this issue.

1982 - GAO Study "Progress Made, More Needed" - Criticized DoD for not meeting generally accepted quality standards & recommended DoD develop standards for child care centers, regulate and expand family child care homes, and develop plans to correct facility deficiencies.

1982 - DoD issued the "Child Care Action Plan" to correct deficiencies identified by the GAO.

1985 - The Military Family Act established the Office of Family Policy under Assistant Secretary of Defense for Force Management Policy. The Office is responsible for the coordination of programs relating to military families including child care.

1988 - Congressional Hearings were conducted on Military Child Care as the result of child sexual abuse allegations in centers at Presidio SF, CA, Scott AFB, IL, West Point, NY.

1989 - GAO Study "Military Child Care Extensive, Diverse, and Growing." The study examined the need for and the availability of DoD child care.

1989 - DoD Instruction for Child Development Programs (DoDI 6060.2 March 3, 1989) established policy for care provided to children aged birth -12 of military and DoD civilian personnel "for effective operation and accomplishment of assigned mission and tasks."

1989 - DoD Inspector General Report issued on Military Child Care which contained over 50 recommendations including one to develop a formula to assess the need for child care.

1989 - The Military Child Care Act of 1989 was passed in November as part of the Defense Authorization Act for 1990 and 1991. The goals were to standardize the delivery and quality of care while improving the availability and affordability of care.

1990 - 1991 - As a result of the Military Child Care Act, DoD:

- Implemented the DoD non-appropriated fund Caregiver Wage Test to increase the compensation of child care employees and to improve the quality and stability of the child care work force.

- Established uniform fee policy for Military Child Development Centers based on total family income. The fee policy applies to all who attend on a regular basis.
- Implemented DoD Certification procedures. Quarterly unannounced inspections are conducted at the local level with an annual unannounced higher headquarters inspection.
- Established the DoD Child Abuse and Safety Violation Hotline. Access is available worldwide.
- Added 3,700 General Schedule (GS) positions. All management personnel, training specialists, cooks and some caregivers are targeted for GS positions.
- Required accreditation of 50 Military Child Development Centers.
- Required a report to Congress on "The Potential Demand for Child Care With the Department of Defense and a Plan to Expand Availability."

1992 - Study "Improving the Delivery of Military Child Care: An Analysis of Current and New Approaches" by Rand Corporation.

1993 - Department of Defense Instruction 6060.2 "Child Development Program, dated January 19, 1993," implements all provisions of the Military Child Care of 1989 and expands DoD policy on Family Child Care.

1994- GAO Study "Child Care: Promoting Quality in Family Child Care." Highlights the DoD Family Child Care model as example of a quality initiative.

1994 - Study "Examining the Effect of Accreditation on Military Child Development Center Operations and Outcomes" by Rand Corporation submitted to Congress.

1995 - Army, Navy and Marine Corps implement the use of direct cash subsidies for Family Child Care.

1996 - National Defense Authorization Act - codifies the Military Child Care Act of 1989 and requires a second study of child care need.

1996 - Report to Congress "Department of Defense Plan for Military Child Development Centers to Meet Accreditation Standards." All Military Services commit to meeting accreditation standards by December 1996.

1997 Study "Examining the Implementation and Outcomes of the Military Child Care Act of 1989" by the Rand Corporation.

1997 - Will report to Congress on DoD efforts to form partnerships with the civilian community to share our expertise in child development and youth programs. The report will also include recommendations to improve the DoD child development and youth program.

1997 - Will report to Congress on the re-assessment of the DoD need for child care.



Department of Defense Questions and Answers on the Military Child Care Program

QUESTION: I was surprised to find out that the Military has one of the largest child care programs in the country. Why is this?

ANSWER: DoD has the largest employee sponsored child care program in the world serving over 200,000 children (birth - 12 years of age) daily. Our program consists of child development centers, family child care homes, school-age care programs and information and referral services. Through these delivery systems DoD offers full-day, part-day and hourly care, before-and after school programs and extended hour care for nights, weekends and shift work. Our active duty members are parents to 1.29M children. Generally military parents are young, often far from home, and without the support of families and neighbors. Child care for infants and toddlers is hard to find and expensive. Because 65% of military spouses are in the work force, quality, affordable child care is an economic and quality of life issue for military families. By providing child care we help military families balance the competing demands of the family, accomplish the military mission, and improve the economic viability of the family.

QUESTION: How big is the program? Does the existing program meet the need?

ANSWER: We currently have child development programs at over 300 locations with 811 child development centers and 9,793 family child care homes. We are meeting 56% of the need with 166,322 spaces; there is a need for 299,000 spaces. Our goal is to meet 65% of the need by 1998 and 80% by 2005.

QUESTION: Who uses the program? What is the military policy on maternity leave?

ANSWER: Service women who give birth are granted six weeks of maternity leave. Commanders are also authorized to grant leave to military parents who are adopting a child to allow them time to bond with the child and make arrangements for child care. Our eligible patrons are active duty members and DoD civilian personnel, reservists on active duty and DoD contractors. Each installation commander is responsible for establishing a priority system under which access to child development programs is determined. First priority is for active duty and DoD civilians who are single parents, or whose spouse is employed on full-times basis outside the home, or is also a military member on active duty.

QUESTION: Is child care an entitlement? Do parents pay for their child care? If so, how much do they pay?

ANSWER: DoD Child care is not an entitlement. We strongly believe child care is a work force issue and priority for child care is given to working families. But even for these families military child care is not always available. The demand is high and spaces are limited. Through our information and referral services we make every effort to help families locate at least one affordable child care option. The Military Child Care Act of 1989 required DoD to establish a uniform fees based on family income. Patrons who use DoD child development programs pay for services. Last year the average weekly fee was \$65 per week. Parent fees account for approximately 50% of the cost of child care.

QUESTION: If the parents only pay half of the cost of care, where does the rest come from? ✓

ANSWER: The other 50% of child care costs is paid for with appropriated funds authorized by Congress. In 1997 that amount is \$273.3M.

QUESTION: You are holding the military program up as an example for the rest of the country? Why? What has made the military program so good.

ANSWER: In 1992, the House Armed Services Committee stated in the Congressional Record its goal that military child care be on the "leading edge of child care in America." Military care programs are nationally recognized as models by early childhood advocates and professional organizations.

- In June 1993, ABC News featured as segment on military programs as being the national leader in staff compensation, training as well as programming.
- Dr. Shirlee Sveska, principal investigator of the GAO study on military child care stated "*I hold up military child care as the most exemplary federally funded effort in early childhood education in every discussion I have with colleagues about what we should see in these programs.*"
- Publications such as *Working Mother* have held up military programs as being model programs. A ground-breaking April 1994 Carnegie Corporation Report, *Starting Points -- Meeting the Needs of Our Youngest Children* pointed to military child care programs as models.
- In a cover story in *Frankly Speaking*, a publication of the University of North Carolina at Chapel Hill the author, Thelma Harms stated: "*State government, which is responsible for child care facilities, keeps the regulation of family child care to a minimum...in contrast (DoD) has developed a family child care system that far exceeds the civilian sector in its level of support and expectations of quality of care. For the past 15 years, (DoD) has been improving its child care standards...and expanding support to family child care homes in an effort to deliver high quality child care to families. (DoD) has undoubtedly become a prime example of employer commitment to quality child care.*"

- Helen Blank- Director, Child Care Division, Department of Programs and Policy, Children's Defense Fund says: *"Most of my speeches refer to the military child care system as a model that should be emulated in every state in this country. I believe that their child care system - which not only recognizes that children need good care, but also that such care cannot be provided without a sound structure that recognizes that the skills and compensation of a child's caregiver is central to their development - should be replicated and funded in every state. The military not only focuses on ensuring that child care is available and affordable to its families but also ensures that each child will get a supportive and nurturing child care experience. It is fortunate for military families but unfortunate for civilians that the best chance a family has to be guaranteed of affordable and high quality care in this country is to join the military"*

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1. The DoD commitment to a prescribed level of funding for Child Development Programs. In military child development centers, there is a dollar for dollar match of appropriated funds to parent fees. In our family child care homes we provide indirect financial support through extensive equipment lending libraries, low cost insurance options and free training. In many instances we also provide direct cash subsidies for family child care providers to provide incentives to care for infants. This commitment of funds allows military programs to provide stimulating environments that are staffed with trained personnel and appropriately equipped both indoors and out.
2. Strict oversight and accountability of programs, and adherence to standards including four comprehensive unannounced annual inspections for all facilities and programs; one by a representative of higher headquarters. There is mandatory correction of deficiencies within 90 days or the program must either apply for a time restricted waiver with adequate compensatory measures or close. (As a result, facilities and programs are in good repair, and there is high quality, institutional grade equipment that contributes to the cognitive development of children). These inspections result in DoD certification of the program. Certification is closely monitored. Contributing to comprehensive program oversight is the DoD "Hotline". It is well publicized and accessible world wide. Identified or anonymous callers can report either child abuse or safety violations at Military Child Development Programs, or facility deficiencies. These reports are diligently tracked until a satisfactory response is completed.
3. Wages and benefits that contribute to low staff turnover compared to the private sector. Military child development center caregiver wages and benefits average approximately \$10 per hour compared to the minimum wages in the civilian community. While most civilian

child care centers offer few or no benefits to direct care staff, most military child care staff have a full range of benefits. As a result staff turnover has decreased dramatically, and the result is that children have continuity of care so vital to their healthy development.

4. Required basic training of caregiving staff which is tied to wages and an "up-or-out" caregiving personnel policy requiring the completion of training requirements. All training is competency based and caregivers who do not meet the performance requirements are not retained.
5. Commitment for all military child development centers to meet national accreditation standards. The combination of the DoD certification and the national accreditation standards provides a comprehensive review of all center programs.

QUESTION: Why did you decide to require national accreditation of the military child care centers? How many are currently accredited?

ANSWER: In the 1996 Defense Authorization Act, Congress codified the Military Child Care Act (MCCA), and required that all programs meet the standards of accreditation. The 1989 MCCA required DoD to demonstrate the effect of accreditation on 50 military child care programs by June 1991. By 1992, 55 military child development centers were accredited. The Rand Corporation studied the effect of accreditation on the quality of these programs, and contrasted these programs with those who were not accredited. In its published report, Rand pointed to accreditation's having positive effects on the quality of the program. Currently, 72% of military child development centers are accredited.

QUESTION: Are the military programs inspected by the states? Whose standards do they follow?

ANSWER: Military programs are not inspected by the states; they are inspected for compliance with DoD standards four times annually by various installation proponents (fire, safety, health, engineers, etc.) and the Services' Headquarters.

QUESTION: I've heard military standards are higher than everyone else's; is this true?

ANSWER: DoD standards are neither high nor low but represent a "middle ground" or median standard relative to state standards. As an example, the DoD staff-to-child ratio for infants 6 weeks to 12 months is 1:4 (the State median) compared to the 1:3 ratio required by the National Fire Protection Association Life Safety Code (NFPA) and that of the National Association for the Education of Young Children (NAEYC).

QUESTION: Is all of DoD care in child care centers? If not how do you ensure quality in homes?

ANSWER: More than a third (35%) of care in DoD Child Development Programs is in certified Family Child Care Homes. Family Child Care provides flexibility of program and hours of

operation that meet the needs of service members who have shift work extended hours, and temporary duty away from their home station. Family Child Care homes and providers are screened prior to certification and are trained in the same way as are caregivers in child development centers. Additionally, FCC homes are monitored for compliance with standards and receive the same unannounced inspections as centers.

QUESTION: All the recent research indicates a need for a careful look at programs for children 0-3. What is the military doing (has done) to ensure quality in infant/toddler programs.

ANSWER: Since infant and toddlers comprise over 40% of all children served in military child development programs, quality infant/toddler programs are imperative. There are standards for infant/toddler programs that are based on a sound understanding of infant/toddler needs. It is a requirement that when infants and toddlers are awake, they are out of cribs and interacting with the caregiving staff. Environments are stimulating and based on infant needs. Feeding and sleeping schedules are based on infants' demand. Caregivers read, sing and talk to infants regularly during routines such as when they are being changed, fed, rocked and permitted to crawl around specially designed padded indoor and outdoor play areas. There are DoD infant/toddler training modules from which caregivers learn appropriate activities and interaction with our youngest children. Staff-to-child interactions are observed regularly by Training and Curriculum Specialists who are the "quality assurance" staff in military programs.

QUESTION: You stated that the factors that contribute to the quality of your program include wages? How have you addressed this issue?

ANSWER: In 1990 we implemented a caregiver wage program that gives incentives for completing training and allows management to reward high performers with wage increases. Caregivers in the military child development program receive annual and sick leave plus other benefits such as health and life insurance. These are not common in the civilian child care programs. The average child caregiver makes \$10 per hour including benefits as compared to minimum wage for many civilian caregiving staff.

QUESTION: Finally, you state that you have an aggressive training program? How does it differ from those elsewhere in the country?

ANSWER: One of the unique aspect of the military child care training programs is that it is directly linked to wages and promotion - in other words - we have an up or out policy which requires completion of "competency-based" training for all child caregivers who work directly with children. The training (regardless of setting) is based on the Child Development Associate Credential competencies and 13 functional areas. Since completion of training results in a pay increase, there is a real incentive to complete training.

Chronology Of Department Of Defense Child Development Program

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1989 - DoD Instruction for Child Development Programs (DoDI 6060.2 March 3, 1989) established policy for care provided to children aged birth -12 of military and DoD civilian personnel "for effective operation and accomplishment of assigned mission and tasks."

1989 - DoD Inspector General Report issued on Military Child Care which contained over 50 recommendations including one to develop a formula to assess the need for child care.

1989 - The Military Child Care Act of 1989 was passed in November as part of the Defense Authorization Act for 1990 and 1991. The goals were to standardize the delivery and quality of care while improving the availability and affordability of care.

1990 - 1991 - As a result of the Military Child Care Act, DoD:

- Implemented the DoD non-appropriated fund Caregiver Wage Test to increase the compensation of child care employees and to improve the quality and stability of the child care work force.

- Established uniform fee policy for Military Child Development Centers based on total family income. The fee policy applies to all who attend on a regular basis.
- Implemented DoD Certification procedures. Quarterly unannounced inspections are conducted at the local level with an annual unannounced higher headquarters inspection.
- Established the DoD Child Abuse and Safety Violation Hotline. Access is available worldwide.
- Added 3,700 General Schedule (GS) positions. All management personnel, training specialists, cooks and some caregivers are targeted for GS positions.
- Required accreditation of 50 Military Child Development Centers.
- Required a report to Congress on "The Potential Demand for Child Care With the Department of Defense and a Plan to Expand Availability."

1992 - Study "Improving the Delivery of Military Child Care: An Analysis of Current and New Approaches" by Rand Corporation.

1993 - Department of Defense Instruction 6060.2 "Child Development Program, dated January 19, 1993," implements all provisions of the Military Child Care of 1989 and expands DoD policy on Family Child Care.

1994- GAO Study "Child Care: Promoting Quality in Family Child Care." Highlights the DoD Family Child Care model as example of a quality initiative.

1994 - Study "Examining the Effect of Accreditation on Military Child Development Center Operations and Outcomes" by Rand Corporation submitted to Congress.

1995 - Army, Navy and Marine Corps implement the use of direct cash subsidies for Family Child Care.

1996 - National Defense Authorization Act - codifies the Military Child Care Act of 1989 and requires a second study of child care need.

1996 - Report to Congress "Department of Defense Plan for Military Child Development Centers to Meet Accreditation Standards." All Military Services commit to meeting accreditation standards by December 1996.

1997 - Study "Examining the Implementation and Outcomes of the Military Child Care Act of 1989" by the Rand Corporation.

1997 - Will report to Congress on DoD efforts to form partnerships with the civilian community to share our expertise in child development and youth programs. The report will also include recommendations to improve the DoD child development and youth program.

1997 - Will report to Congress on the re-assessment of the DoD need for child care.

**President Clinton Acts to
Expand Family and Medical Leave**
April 12, 1997

To assist families in meeting the needs of young children and other family members, the President called on Congress to pass legislation expanding the Family and Medical Leave Act. The FMLA currently allows workers to take up to 12 weeks unpaid leave to care for a newborn or adopted child, to attend to their own serious health needs, or to care for a seriously ill parent, child, or spouse. In June, 1996 President Clinton proposed to expand the Family and Medical Leave Act (FMLA) to allow workers to take unpaid hours off -- up to 24 hours a year -- for school and early childhood education activities, routine family medical care, and additional activities related to caring for an elderly relative.

Today President Clinton asked Federal agencies to implement his expanded leave policy immediately for Federal workers. The President asked agencies to ensure employees can take up to 24 hours of unpaid leave for the following activities:

- **School and early childhood education activities** -- to allow employees to participate in school activities directly related to the educational advancement of their child, including child care and Head Start activities. Parental involvement in a child's education is an important determinant of the child's success. Parents could use leave to attend parent-teacher conferences or meetings with child care providers, or to interview for a new school or child care facility.
- **Routine family medical or dental appointments** -- to allow parents to accompany children to routine medical or dental visits, such as annual checkups or vaccinations.
- **Elderly relatives' health and care needs** -- to allow employees to accompany an elderly relative to routine medical or dental appointments or other professional services related to the elderly relative's care, such as interviewing nursing or group homes.

The Family and Medical Leave Act Works. Based on data in a 1996 report of the bipartisan Commission on Leave, more than 12 million American workers have taken leave for reasons covered by the FMLA since the law's enactment in 1993, and 90% of businesses covered by the law find that it's easy to administer and that it costs them little or nothing.

The Clinton Administration is Building a Family Friendly Federal Workplace.

- In 1994 the President signed the Federal Employees Family Friendly Leave Act allowing employees to use sick leave for routine medical appointments for family members. The President's action today allows employees to take time off for this purpose even when sick leave is unavailable.
- Federal employers have discretion now to approve employees' requests for time off for school activities, routine medical visits, and elder care. Today, the President urged Federal supervisors to exercise their discretion on a routine basis -- to the fullest extent possible -- to give their employees up to 24 hours of unpaid leave for these activities.

\$ { where from
use _____

How many new
police depts involved

Sara Ingersoll
616-3650



U.S. Department of Justice

Office of Justice Programs

Office of Juvenile Justice and
Delinquency Prevention

Office of the Administrator

Washington, D.C. 20531

April 10, 1997

Memorandum

cc J Klein
N Rabner
D Burke

To: Elena Kagan
From: Shay Bilchik
Re: Child Victims of Violence Initiative

Summary

Through a partnership between the Office of Juvenile Justice and Delinquency Prevention, Violence Against Women Grants Office, and Office for Victims of Crime, the Department of Justice will allocate \$700,000 of FY 97 discretionary funding to establish a *Child Victims of Violence Initiative* through the Yale, New Haven Child Development-Community Policing program.

Children Exposed to Violence

Throughout America, millions of children are exposed to violence at home, in their neighborhoods, and in their schools. In a study conducted at Boston City Hospital, 1 out of every 10 children seen in their primary care clinic had witnessed a shooting or stabbing before the age of 6 -- 50 percent in the home and 50 percent in the streets. The average age of these children was 2.7 years.

Children's exposure to violence and maltreatment is significantly associated with increased depression, anxiety, post-traumatic stress, anger, greater alcohol and drug abuse, and lower academic achievement. It shapes how they remember, learn and feel. In addition, children who experience violence either as victims or as witnesses are at increased risk of becoming violent themselves. These dangers are greatest for the youngest children who depend almost completely on their parents and care givers to protect them from trauma.

The majority of children who are exposed to violence are not treated. According to the National Advisory Board on Child Abuse and Neglect, over 90 percent of children who are exposed to child abuse and neglect do not get the services they need; and too often, victims services in domestic violence and criminal investigations focus on the adult victim rather than the child. The Department of Justice *Child Victims of Violence Initiative* will ensure that the silent victims of crime and violence are helped.

According to the recommendations of a consensus of professionals in the field, child development theory, experience and evaluations from psychoanalytic and psychodynamic interventions with children, what children need when they are exposed to violence is comprehensive mental health services to help them process the violence; a sustained relationship with a caring, pro-social adult role model; protection from further risk of harm; and legal intervention.

The Child Development - Community Policing Program

The Child Development-Community Policing Program, initiated in 1991 through an innovative partnership between the New Haven Department of Police Services and the Child Study Center at the Yale University School of Medicine, addresses the psychological burdens on children, families and the broader community of increasing levels of community violence. In FY 1995 and FY 1996, OJJDP provided \$300,000 each year to the Child Study Center to replicate the model through training of law enforcement and mental health providers in Buffalo, NY; Charlotte, NC; Nashville, TN; and Portland, OR.

The program consists of interrelated training and consultation, including a child development fellowship for police supervisors; police fellowship for clinicians; seminars of child development, human functioning, and policing strategies; 15 hour training course in child development for all new police officers; weekly collaborative meetings and case conferences that support institutional changes in police practices; establishment of protocols for referral and consultation that insures that children receive the services they need.

The CD-CP program has provided a wide range of coordinated police and clinical responses in the four sites, including: round-the-clock availability of consultation with a clinical professional and a police supervisor to patrol officers who assist children exposed to violence; weekly case conferences with police officers, educators, and child study center staff; open police stations located in neighborhoods and accessible to residents for police and related services; community liaison and coordination of community response; crisis response; clinical referral; interagency collaboration; home-based follow-up; and officer support and neighborhood foot patrols. In the CD-CP program's four years of operation in the New Haven site, more than 450 children have been referred to the consultation service by officers in the field.

The Child Victims of Violence Initiative

In fiscal year 1997, the Department of Justice will allocate \$700,000 of FY 97 discretionary funding (\$300,000 from OJJDP, \$300,000 from VAWA, and \$100,000 from OVC) to establish a *Child Victims of Violence Initiative* that expands on the Child Development-Community Policing program. The new funds will support the following activities:

- Nationwide intensive training and technical assistance for law enforcement, prosecutors, mental health professionals, school personnel, and probation and parole officers to better respond to the needs of children exposed to community violence including but not limited to family violence, gang violence, and abuse or neglect. This will be accomplished through the development of a training and technical assistance center in New Haven consisting of a team of expert practitioners who serve as trainers throughout the country.
- Expansion of the program sites from the original four. Future sites, the total number of which are yet to be determined, will be selected competitively based upon each site's capacity to establish a core police/mental health provider team concerned with child victimization.
- Further research, data collection, analysis and evaluation of CD-CP in the program sites.
- The development of a casebook for practitioners which will detail intervention strategies and various aspects of the CD-CP collaborative process.

In addition, the Department of Justice's COPS office will publish information on the *Child Victim of Violence Initiative* in the COPS Newsletter and the Community Policing Consortium Newsletter, a publication that reaches over 17 thousand police organizations. This dissemination will supplement information on research, effective practices, and promising programs that will be shared by the Department of Justice with community based organizations and law enforcement via bulletins, fact sheets and a national satellite teleconference.

As a result of the *Initiative*, those individuals responding to children in violent situations, who are on call 24 hours a day, seven days a week, will now have new partners. The nation-wide training will give law enforcement, probation and parole officers, prosecutors, school personnel, mental health providers, and clinicians tools for collaborating in the rapid and effective response to children exposed to violence:

- Education on needs of children and the dangers of their exposure to violence so that they know how to respond to scenes of domestic and community violence.
- Experience in problem-solving so that they can prevent crime and trauma before it happens.

- Effective protocols and memoranda of understanding for working across systems so that they can intervene early and effectively when trouble arises.
- Access to the range of local service providers and resources; including school-based, court-based and hospital-based victim services.
- Increased likelihood of leveraging resources to expand services.
- Coordination with victims assistance and victims compensation for children.

In conclusion, the results of this exciting new Initiative will begin to bring to bear the resources needed to break the cycle of violence affecting our nation's youngest victims.

AMENDMENT NO. _____

Calendar No. _____

Purpose: To state the sense of the Senate on Department of Defense sharing of experiences with military child care.

IN THE SENATE OF THE UNITED STATES—104th Cong., 2d Sess.

S. 1745

To authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. KENNEDY

Viz:

- 1 At the end of subtitle F of title X, add the following:
- 2 SEC. 1072. SENSE OF THE SENATE ON DEPARTMENT OF DE-
- 3 FENSE SHARING OF EXPERIENCES WITH
- 4 MILITARY CHILD CARE.
- 5 (a) FINDING.—The Senate makes the following find-
- 6 ings:
- 7 (1) The Department of Defense should be con-
- 8 gratulated on the successful implementation of the

1 Military Child Care Act of 1989 (title XV of Public
2 Law 101-189; 10 U.S.C. 113 note).

3 (2) The actions taken by the Department as a
4 result of that Act have dramatically improved the
5 availability, affordability, quality, and consistency of
6 the child care services provided to members of the
7 Armed Forces.

8 (3) Child care is important to the readiness of
9 members of the Armed Forces because single par-
10 ents and couples in military service must have access
11 to affordable child care of good quality if they are
12 to perform their jobs and respond effectively to long
13 work hours or deployments.

14 (4) Child care is important to the retention of
15 members of the Armed Forces in military service be-
16 cause the dissatisfaction of the families of such
17 members with military life is a primary reason for
18 the departure of such members from military serv-
19 ice.

20 (b) SENSE OF SENATE.—It is the sense of the Senate
21 that---

22 (1) the civilian and military child care commu-
23 nities, Federal, State, and local agencies, and busi-
24 nesses and communities involved in the provision of
25 child care services could benefit from the develop-

1 ment of partnerships to foster an exchange of ideas,
2 information, and materials relating to their experi-
3 ences with the provision of such services and to en-
4 courage closer relationships between military instal-
5 lations and the communities that support them;

6 (2) such partnerships would be beneficial to all
7 families by helping providers of child care services
8 exchange ideas about innovative ways to address
9 barriers to the effective provision of such services;
10 and

11 (3) there are many ways that these partner-
12 ships can be developed, including—

13 (A) cooperation between the directors and
14 curriculum specialists of military child develop-
15 ment centers and civilian child development
16 centers in assisting such centers in the accredi-
17 tation process;

18 (B) use of family support staff to conduct
19 parent and family workshops for new parents
20 and parents with young children in family hous-
21 ing on military installations and in communities
22 in the vicinity of such installations;

23 (C) internships in Department of Defense
24 child care programs for civilian child care pro-
25 viders to broaden the base of good-quality child

1 (c) REPORT.—Not later than June 30, 1997, the Sec-
2 retary of Defense shall submit to Congress a report on
3 the status of any initiatives undertaken this section, in-
4 cluding recommendations for additional ways to improve
5 the child care programs of the Department of Defense and
6 to improve such programs so as to benefit civilian child
7 care providers in communities in the vicinity of military
8 installations.

9 **SEC. 1079. INCREASE IN PENALTIES FOR CERTAIN TRAFFIC**
10 **OFFENSES ON MILITARY INSTALLATIONS.**

11 Section 4 of the Act of June 1, 1948 (40 U.S.C.
12 318c) is amended to read as follows:

13 "SEC. 4. (a) Except as provided in subsection (b),
14 whoever shall violate any rule or regulation promulgated
15 pursuant to section 2 of this Act may be fined not more
16 than \$50 or imprisoned for not more than thirty days,
17 or both.

18 "(b) Whoever shall violate any rule or regulation for
19 the control of vehicular or pedestrian traffic on military
20 installations that is promulgated by the Secretary of De-
21 fense, or the designee of the Secretary, under the author-
22 ity delegated pursuant to section 2 of this Act may be
23 fined an amount not to exceed the amount of a fine for
24 a like or similar offense under the criminal or civil law
25 of the State, territory, possession, or district where the

1 “(P) Costs of compensation (including bo-
2 nuses and other incentives) paid with respect to
3 the services (including termination of services)
4 of any one individual to the extent that the
5 total amount of the compensation paid in a fis-
6 cal year exceeds \$200,000.”.

7 **SEC. 1077. SENSE OF THE SENATE ON DEPARTMENT OF DE-**
8 **FENSE SHARING OF EXPERIENCES UNDER**
9 **MILITARY YOUTH PROGRAMS.**

10 (a) **FINDINGS.**—The Senate makes the following
11 findings:

12 (1) Programs of the Department of Defense for
13 youth who are dependents of members of the Armed
14 Forces have not received the same level of attention
15 and resources as have child care programs of the
16 Department since the passage of the Military Child
17 Care Act of 1989 (title XV of Public Law 101-189;
18 10 U.S.C. 113 note).

19 (2) Older children deserve as much attention to
20 their developmental needs as do younger children.

21 (3) The Department has started to direct more
22 attention to programs for youths who are depend-
23 ents of members of the Armed Forces by funding
24 the implementation of 20 model community pro-
25 grams to address the needs of such youths.

1 (4) The lessons learned from such programs
2 could apply to civilian youth programs as well.

3 (b) SENSE OF SENATE.—It is the sense of the Senate
4 that—

5 (1) the Department of Defense, Federal, State,
6 and local agencies, and businesses and communities
7 involved in conducting youth programs could benefit
8 from the development of partnerships to foster an
9 exchange of ideas, information, and materials relat-
10 ing to such programs and to encourage closer rela-
11 tionships between military installations and the com-
12 munities that support them;

13 (2) such partnerships could benefit all families
14 by helping the providers of services for youths ex-
15 change ideas about innovative ways to address bar-
16 riers to the effective provision of such services; and

17 (3) there are many ways that such partnerships
18 could be developed, including—

19 (A) cooperation between the Department
20 and Federal and State educational agencies in
21 exploring the use of public school facilities for
22 child care programs and youth programs that
23 are mutually beneficial to the Department and
24 civilian communities and complement programs

104th Congress
1st Session

HOUSE OF REPRESENTATIVES

Report
104-771

NATIONAL DEFENSE AUTHORIZATION
ACT FOR FISCAL YEAR 1997

CONFERENCE REPORT

TO ACCOMPANY

H.R. 3230



July 30, 1996 - Ordered to be printed

Transfer of excess personal property to support law enforcement activities (sec. 1033)

The House bill contained a provision (sec. 362) that would provide permanent authority for the Department of Defense (DOD) to provide excess personal property to state and local law enforcement agencies. This property includes vehicles, helicopters, weapons, ammunition and other property that is needed by law enforcement agencies. Section 1208 of the National Defense Authorization Act for Fiscal Years 1990 and 1991 (Public Law 101-189) established a one year program to provide excess personal property to law enforcement agencies for use in drug enforcement activities. This provision was extended until September 30, 1997 by section 1006 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510). This provision would make the section 1208 program permanent and expand it to all law enforcement activities with a priority to counter-narcotics activities.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment which would give priority to counter-narcotics and counter-terrorist law enforcement activities. The amendment would also ensure that DOD would incur no cost of transferring this excess equipment to these law enforcement agencies except the cost associated with the management of the program within DOD.

Sale by Federal departments or agencies of chemicals used to manufacture controlled substances (sec. 1034)

The Senate amendment contained a provision (sec. 1082) that would prevent the sale of chemicals that could be used in the manufacture of controlled substances. These chemicals could be sold however, if the head of the department or agency certifies that there is no reasonable cause to believe the sale will result in an improper use.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Subtitle D—Reports and Studies

LEGISLATIVE PROVISIONS ADOPTED

Annual report on Operation Provide Comfort and Operation Enhanced Southern Watch (sec. 1041)

The House bill contained a provision (sec. 1021) that would require a consolidated annual report on the conduct of Operations Provide Comfort and Enhanced Southern Watch over and within Iraq. This annual report would be required to be submitted to the Congress so long as the operations continue.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Annual report on emerging operational concepts (sec. 1042)

The Senate amendment contained a provision (sec. 1051) that would require the Chairman of the Joint Chiefs of Staff to provide an annual report to Congress describing the process of defining emerging operational concepts in each of the services and the man-

ner in which the services are coordinated in matters of doctrine, operational concepts, organization and acquisition strategy.

The House bill contained no similar provision.

The House recedes with an amendment requiring the Secretary of Defense to prepare and submit the report in consultation with the Chairman of the Joint Chiefs of Staff.

Report on Department of Defense military child care programs (sec. 1043)

The Senate amendment contained a provision (sec. 1078) that would express the sense of the Senate that the Department of Defense should share its experiences with providing child care services with other federal, state, and local agencies.

The House bill contained no similar provision.

The House recedes with an amendment that would express the sense of the Congress.

Report on Department of Defense military youth programs (sec. 1044)

The Senate amendment contained a provision (sec. 1077) that would express the sense of the Senate that the Department of Defense should share its experiences in conducting youth programs with other federal, state, and local agencies.

The House bill contained no similar provision.

The House recedes with an amendment that would express the sense of the Congress.

Quarterly reports regarding coproduction agreements (sec. 1045)

The House bill contained a provision (sec. 1046) that would amend the Arms Export Control Act (22 U.S.C. 2776(a)) to require that quarterly reports to the Congress required by this statute include information on specified government-to-government agreements on foreign co-production of defense articles.

The Senate amendment contained no similar provision.

The Senate recedes.

Report on witness interview procedures for Department of Defense criminal investigations (sec. 1046)

The House bill contained a provision (sec. 1023) that would require the Comptroller General to survey and report on the policies and practices of all military criminal investigative agencies with respect to the manner in which interviews of witnesses and suspects are conducted.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would narrow the focus of the survey to the subject of procurement fraud investigations in the Department of the Navy.

Report on military readiness requirements of the Armed Forces (sec. 1047)

The Senate amendment contained a provision (sec. 1053) that would establish a requirement for a one-time report from the Chairman of the Joint Chiefs of Staff on the military readiness re-

the anesthesia was accomplished, for example, using a novel anesthetic or a novel dosing schedule, the objective of the claimed method would include the provision of a novel use of an anesthetic in transplantation surgery and the use of the composition of matter (i.e., the anesthetic) would directly contribute to the achievement of the objective.

It is intended that the applicability of the exception in (c)(2)(A)(i) for a patented use of a composition of matter can usually be decided by a motion to dismiss or summary judgment under Rule 12(b) or Rule 56, respectively, of the Federal Rules of Civil Procedure. For example, an accused infringer seeking to invoke the relief from remedies afforded under 287(c)(1) would ordinarily prevail under such a motion if the following conditions are met: (1) the movant shows by clear and convincing evidence that the recited uses of the compositions of matter, both individually and collectively, lack novelty, and (2) the movant also shows by a preponderance of the evidence that the steps of the claimed method that do not involve uses of compositions of matter (i.e., the medical or surgical procedure steps) are, by themselves, novel and non-obvious, provided, however, that the movant may concede the non-obviousness in lieu of making the required evidentiary showing.

Paragraph (c)(2)(A)(iii) excludes from the definition of "medical activity" the practice of a patented process in violation of a biotechnology patent. For the purposes of this provision, the definition of the term "biotechnology patent" includes a patent on a "biotechnological process" as defined in 35 U.S.C. §103(b), as well as a patent on a process of making or using biological materials, including treatment using these materials, where those materials have been manipulated *ex vivo* at the cellular or molecular level.

Biological materials which may be manipulated *ex vivo* at the cellular or molecular level include a variety of cellular, intracellular, extracellular, and acellular substances. Cellular substances include (but are not limited to) cultured microbial and mammalian cells. Intracellular substances include (but are not limited to) genetic materials, such as DNA and RNA that is obtained from within the cell. Extracellular substances include (but are not limited to) proteins and other molecules that are secreted or excreted by cells. Acellular substances include (but are not limited to) viruses and other vectors for transmitting genetic material.

Ex vivo manipulation includes propagation, expansion, selection, purification, pharmaceutical treatment, or alteration of the biological characteristics of these substances outside of a human body.

This definition excluded medical procedures which do not involve *ex vivo* cellular or molecular manipulation of a biological material. For example, a patent on a method of performing heart transplantation surgery, including the use of a heart-lung machine, is excluded from this definition on two grounds: first, the method involves manipulation *in vivo*, not *ex vivo*, and second, the method does not manipulate the cellular or molecular characteristics of the heart.

The House bill included a provision which prohibited funds from being used by the Patent and Trademark Office to issue patents for surgical and medical procedures and devices, with certain exceptions for medical and biomedical devices and processes.

Sec. 617.—The conference agreement includes section 617, which eliminates current reprogramming requirements which are redundant with section 605 of this Act. The Senate-reported bill included this provision

as section 620. The House bill contained no similar provision.

Sec. 618.—The conference agreement includes section 618, which permits the Secretary of Transportation to issue a guarantee under title XI of the Merchant Marine Act, 1920, upon such terms as the Secretary may prescribe, to assist in the reactivation and modernization of currently closed shipyards that historically built military vessels if the State in which it is located is making a significant financial investment and is paying the credit subsidy cost of the guarantee. The provision requires the Secretary to impose such conditions as are necessary to protect the interests of the United States from the risk of a default. Total guarantees under this section are not to exceed \$50,000,000, and no commitment to guarantee obligations under this provision may be issued more than one year from the date of enactment of this section. The Senate-reported bill contained a provision under section 622 that provided authority to make these guarantees, but did not require State contributions or require the imposition of any conditions relating to the risk of default. The House bill did not contain any provision on this matter.

TITLE VII—RESCISSIONS DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION WORKING CAPITAL FUND

(RESCISSION)

The conference agreement includes a rescission of \$30,000,000 from unobligated balances under this heading, as proposed in the Senate-reported bill. The House bill did not include a rescission from this account.

IMMIGRATION AND NATURALIZATION SERVICE

DEPORTATION EMERGENCY FUND

(RESCISSION)

The conference agreement includes a rescission of \$4,779,000 from unobligated balances under this heading, as proposed in the Senate-reported bill. The House bill did not include a rescission from this account.

TITLE VIII—FISCAL YEAR 1996 SUPPLEMENTAL AND RESCISSION

DEPARTMENT OF JUSTICE

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

The conference agreement includes a \$40,000,000 supplemental appropriation for fiscal year 1996, for the Federal Prison System and makes these funds available until September 30, 1997, in order to allow total carryover funding for this account to be \$80,000,000. This provision was not included in the House and Senate-reported bills, but is necessary for technical reasons to ensure that adequate funds are available for prison activations which were scheduled for 1996, but have been delayed until 1997.

(RESCISSION)

The conference agreement includes a rescission of \$40,000,000 from funds appropriated in fiscal year 1996 for the Federal Prison System. Neither the House nor the Senate-reported bills included this rescission. Funding is available for rescission as a result of delayed activations of prisons scheduled to open in fiscal year 1996. This provision, in conjunction with the previous provision, is necessary to ensure that additional resources may carry forward from fiscal year 1996 to fiscal year 1997 to support ongoing prison system operations.

TITLE IX—FISCAL YEAR 1997 DISASTER ASSISTANCE

DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

The conference agreement includes \$25,000,000 in emergency fiscal year 1997 funding for infrastructure expenses related to recovery efforts associated with Hurricane Fran and Hortense and other natural disasters, instead of \$18,000,000 requested as a fiscal year 1996 emergency supplemental appropriation. Amounts provided under this account are designated as emergency requirements pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION DISASTER LOANS PROGRAM ACCOUNT

In addition to amounts provided under title V of the bill, the conference agreement provides an additional \$12,000,000 in emergency fiscal year 1997 subsidy appropriations for disaster loans for recovery efforts related to Hurricane Fran and Hortense, and other natural disasters.

In addition to amounts provided under title V of the bill, the conference agreement includes an additional \$2,000,000 in emergency fiscal year 1997 funding for administrative expenses necessary to carry out the disaster loan program for Hurricane Fran and Hortense and other natural disasters, instead of \$22,000,000 requested as a fiscal year emergency supplemental appropriation. Amounts provided under this account are designated as emergency requirements pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

SECTION 101(b)

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1997

The conference agreement on the Department of Defense Appropriations Act, 1997, incorporates some of the provisions of both the House and Senate versions of the bill. The language and allocations set forth in House Report 104-617 and Senate Report 104-236 should be complied with unless specifically addressed in the accompanying bill and statement of the managers to the contrary.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

The conferees agree that for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 1997, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee of Conference, the related classified annexes and reports, and the P-1 and R-1 budget justification documents as subsequently modified by Congressional action. The following exception to the above definition shall apply:

For the Military Personnel and the Operation and Maintenance accounts, the term "program, project, and activity" is defined as the appropriations accounts contained in the Department of Defense Appropriations Act. At the time the President submits his budget for fiscal year 1998, the conferees direct the Department of Defense to transmit

1 of the Department carried out at its facilities;
2 and .

3 (B) improving youth programs that enable
4 adolescents to relate to new peer groups when
5 families of members of the Armed Forces are
6 relocated.

7 (c) REPORT.—Not later than June 30, 1997, the Sec-
8 retary of Defense shall submit to Congress a report on
9 the status of any initiatives undertaken this section, in-
10 cluding recommendations for additional ways to improve
11 the youth programs of the Department of Defense and to
12 improve such programs so as to benefit communities in
13 the vicinity of military installations.

14 **SEC. 1078. SENSE OF THE SENATE ON DEPARTMENT OF DE-**
15 **FENSE SHARING OF EXPERIENCES WITH**
16 **MILITARY CHILD CARE.**

17 (a) FINDINGS.—The Senate makes the following
18 findings:

19 (1) The Department of Defense should be con-
20 gratulated on the successful implementation of the
21 Military Child Care Act of 1989 (title XV of Public
22 Law 101-189; 10 U.S.C. 113 note).

23 (2) The actions taken by the Department as a
24 result of that Act have dramatically improved the
25 availability, affordability, quality, and consistency of

1 the child care services provided to members of the
2 Armed Forces.

3 (3) Child care is important to the readiness of
4 members of the Armed Forces because single par-
5 ents and couples in military service must have access
6 to affordable child care of good quality if they are
7 to perform their jobs and respond effectively to long
8 work hours or deployments.

9 (4) Child care is important to the retention of
10 members of the Armed Forces in military service be-
11 cause the dissatisfaction of the families of such
12 members with military life is a primary reason for
13 the departure of such members from military serv-
14 ice.

15 (b) SENSE OF SENATE.—It is the sense of the Senate
16 that—

17 (1) the civilian and military child care commu-
18 nities, Federal, State, and local agencies, and busi-
19 nesses and communities involved in the provision of
20 child care services could benefit from the develop-
21 ment of partnerships to foster an exchange of ideas,
22 information, and materials relating to their experi-
23 ences with the provision of such services and to en-
24 courage closer relationships between military instal-
25 lations and the communities that support them;

1 (2) such partnerships would be beneficial to all
2 families by helping providers of child care services
3 exchange ideas about innovative ways to address
4 barriers to the effective provision of such services;
5 and

6 (3) there are many ways that these partner-
7 ships can be developed, including—

8 (A) cooperation between the directors and
9 curriculum specialists of military child develop-
10 ment centers and civilian child development
11 centers in assisting such centers in the accredi-
12 tation process;

13 (B) use of family support staff to conduct
14 parent and family workshops for new parents
15 and parents with young children in family hous-
16 ing on military installations and in communities
17 in the vicinity of such installations;

18 (C) internships in Department of Defense
19 child care programs for civilian child care pro-
20 viders to broaden the base of good-quality child
21 care services in communities in the vicinity of
22 military installations; and

23 (D) attendance by civilian child care pro-
24 viders at Department child-care training classes
25 on a space-available basis.



MAZUR_M @ A1

04/03/97 04:03:00 PM

Record Type: Record

To: Pauline M. Abernathy, Cynthia A. Rice, Elena Kagan, Jennifer L. Klein

cc:

Subject: loan forgiveness proposal

Folks,

In the FY 1998 Budget, there is a tax provision that would exempt from individual income tax the amount of income attributed to forgiveness of student loan amounts by educational institutions and charitable organizations. This favorable tax treatment would be provided where the loan forgiveness was premised on the former student going to work in certain professions for a broad class of employers. The basic idea is to provide a tax subsidy to students who wind up working for certain employers in generally lower-paid positions. For example, Stanford Law School provides partial or total loan forgiveness for students who work in public service positions such as Legal Aid. And I believe the Heinz School of Public Affairs offers similar loan forgiveness for students who work in lower-paid public sector positions.

The legislative language for this provision is so broad that almost any child care related activity could qualify, so long as the educational institution or a charitable organization is making the loan and then forgiving it under specified circumstances. So, for example, a university could forgive loans for those who go into training day care providers or providing day care themselves. Or a charity could make loans to students and then forgive them if the student becomes a pre-school teacher. In either case, the student would not have to report the loan forgiveness as taxable income under this proposal.

This is not a big deal, but it seems related to the overall theme. And, it's in the budget and could be trotted out at the conference. At worst, it's just another bullet on a fact sheet.

Mark

→ Meeting
→ Seminar

Zero-Three Agency Policy Preview Documents
March 24, 1997

HHS:

- ✓ • **Messages for parents on what they can do to improve their children's health [and development] in the first three years:** SIDS, immunizations, breast-feeding, screening for sickle cell, preventing lead poisoning, reading, signing, etc.
- ✓ • **Promoting the Healthy Child Care Campaign.** Issue new model child care standards that states and communities could voluntarily adopt and launch new effort to train health professionals to work in child care. Challenge doctors and nurses to "adopt a child care program." - Curran Health
- ✓ • **NIH funding announcements and requests for relevant proposals.**
- [• **Annual set of children's indicators**]
- **Goal of eliminating Hib meningitis by the year 2000.**
- **NICHD study of Early Child Care.**
- **Immunization announcement in July.** Achieved our goals one year early.

HUD:

- **Use National Service participants to talk and work with parents about early childhood development.** [Is HUD working with the CNS on this? Feasible? Timing?]
- more → • **Establish partnerships between Public Housing Family Investment Centers and early childhood development organizations.** [HUD and the Ounce of Prevention is doing this in Chicago. When could this be announced? What would it take?]
- **Use day care center in public housing as conduits for information.** [How many kids does this reach?]
- ✓ • **Focus University-Community Partnership Grants on early childhood development.** HUD proposes a special round of grants on early childhood development research and outreach in urban communities. [when could these grants be announced? How much money? How many sites? Research vs. outreach]
- **Focus Historically Black Colleges and Universities on early childhood development.** [Timing? Size and number of grants?]

- **Use day care center in public housing as conduits for information.** [How many kids does this reach?]
- **Teach the Faith Community to be an early childhood resource.** HUD's Office of Special Actions has been working with the faith community and could provide them with early childhood information while getting practical ideas from those on the ground. [Good idea. What could be the first action? When?]
- **Build on public housing immunization pilot project.** HUD and HHS are jointly funding four immunization demo projects. [Has it even begun? Can't yet build on this? Can we even simply highlight this?]

CEA:

- **White Paper:** The First Three Years: Investments That Pay. Draft will likely be circulated later this week.

ED:

- **Only gave us the parenting kit.**
- **The main ED programs are:** Even Start, Part A of Title 1 funds preschool, Part H of IDEA (0-2), IDEA preschool grants (3-5). Also the proposed Parents as First Teachers Challenge Grants included in America Reads.

DOJ:

✓ (C)

Safe Kids/Safe Streets: Community Approaches to Reducing Abuse and Neglect and Preventing Delinquency. Plan to award the grants to five communities soon. [Requested further information and timing.]

- **Family Strengthening Training and TA.** DOJ is publishing information on exemplary family strengthening programs, regional training conferences, and training and TA. [I have requested to see any existing publications and what new ones could be released when.]

✓ (C)

Child Development Community-Oriented Policing. DOJ funds a program to train community police officers in early childhood development. We will have a police chief from this program on Panel 2. [I have asked whether any announcements are possible]

- **Juvenile Monitoring Program (JUMP).** Program supports mentoring and many grantees work with teen parents on proper pre-natal care, parenting, and communication. 50 new grants will be awarded soon. [I asked whether this was a stretch.]
- **Parents Anonymous.** DOJ funds PA programs in 11 states in high-crime, minority communities to help parents with their parenting skills. [Asked if there was any news here.]

DOD:

- Will be providing list of announcements in final report. DOD has the largest employer sponsored child day care system in the country (over 200,000 kids ages birth to 12). [Request 0-3 and 0-5]. DOD runs parenting programs and early intervention and preschool programs for children with disabilities.
- DoD's goal is for all DoD child development centers to be nationally accredited. Currently 70% are compared to 5% nationally. [When will they achieve their goal of 100%?]

- Domestic ts

EPA:

- Will give us more on their policy announcements later today, but they will include the infamous E.O., **their Right-to-know labeling initiative** [NEC has had concerns about this in the past], **information to parents in urban communities about local environmental health risks to children, protecting children from carcinogens, and a second-hand smoke impact on children education campaign.** EPA will be late with their big response, likely tomorrow or Wednesday.

SSA:

- Submitted information on their programs, but no new announcements.

OPM:

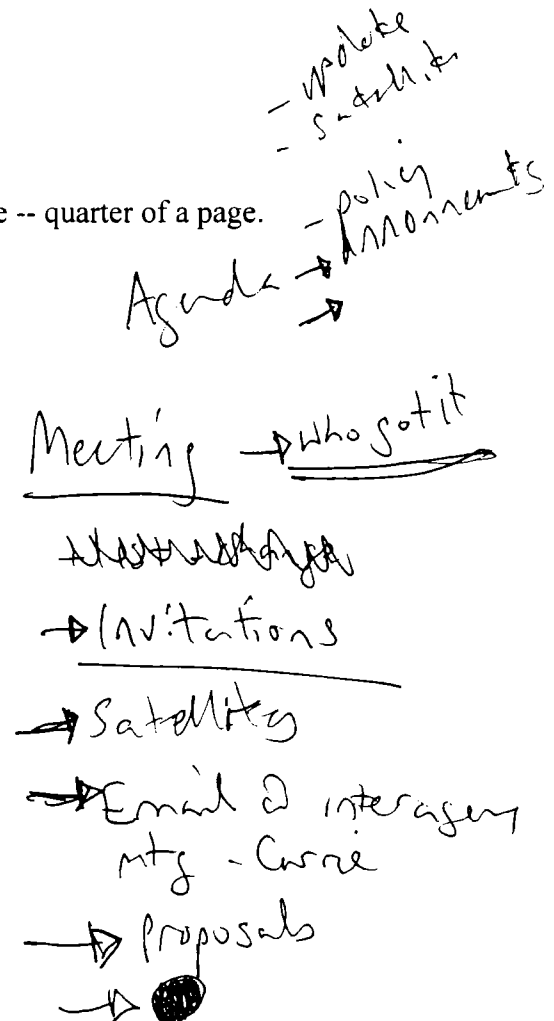
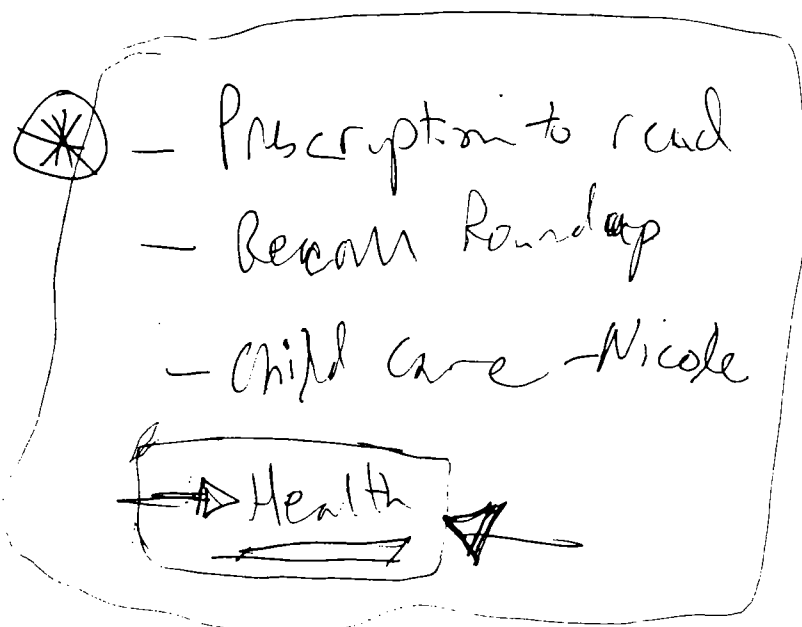
- **Work and Family Program Center:** Has a clearinghouse, runs seminars and workshops, such as on child safety from infancy.
- **Family-Friendly leave policies for federal employees.**

GSA:

- Submitted a preview of their ongoing programs.

Commerce:

- Gave us final report and there was essentially nothing there -- quarter of a page. Surprising.



The Family Investment Package: A Modest Proposal

Twelve million pre-school children and 17 million school age children need child care for all or part of their day. They need good quality child care so they can succeed in school. Their parents need good quality care so they can work to support their children, confident that their children are safe and well-cared for. Yet, good quality care costs more than most working families can afford to pay. Good quality care costs between \$6,300 and \$8,500 per year per child. Parents pay, on average, \$3,700 per year. When employers and government invest to help parents bridge the gap between what they can afford to pay and what good quality costs, everyone benefits: children are more likely to enter school ready to learn, parents experience less stress on the job and at home, neighborhoods are safer and more welcoming, the nation's economy is stronger.

It is time to consider investing in families by supporting their child care needs.

Therefore, we are proposing that Congress and state governments consider a family investment package.

The key elements of the Package are:

- ***Expansion of the Dependent Care Tax Credit:*** Make the credit refundable, increase the maximum allowable expenditure and change the percentage formula so that low and moderate income working families get a greater benefit. Every state with an income tax can also provide a tax credit. Follow Arkansas's lead by providing a supplemental tax credit for families who choose licensed or accredited care. (Representative Cynthia McKinney introduced a bill containing most of these provisions during the 104th Congress.)
- ***Establish a scholarship fund for early childhood teachers,*** modeled after the Eisenhower teacher training grants for teachers of science and math. Improving the training and compensation of child care teachers is the surest way to improving the quality of child care.
- ***Create a community reinvestment fund*** to rebuild or create community centers that include child care, family resource programs, and Head Start. This could be tied to Empowerment Zones, and to the President's \$5 billion school rebuilding fund, which could include monies for school age child care.
- ***Expand Parental Leave*** to allow parents time to attend school meetings, look for child care, spend time volunteering in school (as the President has proposed), and expand coverage of the Family and Medical Leave Act to include employers of 25 or more workers.
- ***Double the Child Care and Development Block Grant*** to increase child care subsidies for the working poor and to ensure adequate investment in resource and referral services, training and compensation for child care providers, and

monitoring of the health and safety of child care facilities. (Senator Dodd has introduced S.19 which would authorize this element of the Package.)

- ***Establish a tax credit for employers that provide child care benefits to their employees.*** Senator Kohl has introduced S.82 that would create a business-related tax credit for employer-provided child care benefits. Because expenditures eligible for the credit would be capped at \$150,000, this credit would be particularly attractive to smaller employers.

Child Care Action Campaign
March 3, 1997



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Executive Director
BARBARA REISMAN

March 1, 1997

First Lady Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20050-2000

Dear Hillary:

Thank you for the recognition you gave to all working mothers by hosting that wonderful luncheon for the "influential mothers" on February 12. It's a challenging time for children's advocates, and affirming moments are few and far between. Lunch with you was certainly one of them! More important, perhaps, my daughter is still glowing from the experience.

As you and I discussed, the research on brain development, the President's renewed focus on education, and states' efforts to meet the child care needs of low income working families in the context of welfare reform, make this an opportune moment to introduce some realistic proposals for improving the quality of child care and helping working families pay for it. The Child Care Action Campaign has begun to talk about a Family Investment Package with other children's advocates, women's organizations, some key business leaders and the bipartisan leadership of the Congressional Women's Caucus. I would be delighted to discuss it further with you, and perhaps to raise it at the Summit on Brain Development that you are planning.

The key elements of the Package are:

- **Expansion of the Dependent Care Tax Credit:** Make the credit refundable, increase the maximum allowable expenditure and change the percentage formula so that low and moderate income working families get a greater benefit. Every state with an income tax can also provide a tax credit. Follow Arkansas's lead by providing a supplemental tax credit for families who choose licensed or accredited care. (Representative Cynthia McKinney introduced a bill containing most of these provisions during the 104th Congress.)
- **Establish a scholarship fund for early childhood teachers,** modeled after the Eisenhower teacher training grants for teachers of science and math. Improving the training and compensation of child care teachers is the surest way to improving the quality of child care.

Elton
F.Y.T. I spoke w/
Barbara today 3/25.
Pauline

- **Create a community reinvestment fund** to rebuild or create community centers that include child care, family resource programs, and Head Start. This could be tied to Empowerment Zones, and to the President's \$5 billion school rebuilding fund, which could include monies for school age child care.
- **Expand Parental Leave** to allow parents time to attend school meetings, look for child care, spend time volunteering in school (as the President has proposed), and expand coverage of the Act to include employers with 25 or more workers.
- **Expand the Child Care and Development Block Grant** to increase child care subsidies for the working poor and to ensure adequate investment in resource and referral services, training and compensation for child care providers, and monitoring of the health and safety of child care facilities. (Senator Dodd has introduced S.19 which would double the Child and Dependent Care Block Grant.)
- **Establish a tax credit for employers that provide child care benefits to their employees.** Senator Kohl has introduced S.82 that would create a business-related tax credit for employer-provided child care benefits. Because expenditures eligible for the credit would be capped at \$150,000, this credit would be particularly attractive to smaller employers.

At Renaissance Weekend, Elinor Guggenheimer circulated a proposal for a child care initiative that generated a great deal of enthusiasm. She and I would welcome the opportunity to meet with you to discuss these ideas more fully. Elly will be receiving the Natalie Heineman Award for Outstanding Volunteer Service at the Child Welfare League of America's annual dinner on March 13. Is there any chance that you are available on the 13th or 14th for a fifteen minute meeting? We can, of course, come to Washington at your convenience, or meet with you when you are next in New York City.

I look forward to hearing from you.

Thank you again for hosting the lunch, and for your commitment to children and families.

Sincerely,



Barbara Reisman

TAX INCENTIVES FOR EXPANSION OF STUDENT LOAN FORGIVENESS

Current Law

Generally, a taxpayer has income when all or part of a loan made to the taxpayer is forgiven. However, an exception is provided in section 108(f) for the forgiveness of certain student loans. If the United States, a State or local government, or a public benefit corporation with control over a state, county, or municipal hospital makes a loan to a student to support the student's attendance at an educational institution and subsequently forgives all or part of the loan, the income resulting from the cancellation of indebtedness is excluded from the student's income, provided the loan forgiveness is contingent on the student's working for a certain period of time in certain professions for any of a broad class of employers.

Reasons for Change

The Administration believes in encouraging Americans to use their education and training in community service. Providing tax relief in connection with the forgiveness of certain student loans will help make it possible for students with valuable professional skills to accept lower-paying jobs that serve the public.

Proposal

The income exclusion for student loan forgiveness would be expanded to cover forgiveness of loans extended by nonprofit tax-exempt charitable or educational institutions to their students or graduates when the proceeds are to be used to repay outstanding student loans, provided the loan forgiveness is contingent on the student's working for a certain period of time in certain professions for any of a broad class of employers. The income exclusion would not be available where a loan is extended and then forgiven by an institution that employs the borrower. The exclusion would also be expanded to cover forgiveness of direct student loans made through the William D. Ford Federal Direct Loan Program where loan repayment and forgiveness are contingent on the borrower's income level.

The proposal would be effective with respect to amounts otherwise includable in income after the date of enactment.

Child Care Options

- "Stepping Stones" Child Care Quality Guidelines
More information forthcoming. POTUS issues "Stepping Stones," a set of federal guidelines for child care quality and safety that we provide to States (for their voluntary use) as they determine their own state-specific guidelines. POTUS challenges states to give guidelines full consideration.
- "Adopt a Child Care Center" Campaign
POTUS announces a grant to provide training to health professionals to work with child care center personnel to enhance child care quality, and challenges pediatricians to "adopt" child care centers in their communities. As a part of its Healthy Child Care Campaign, HHS made a grant to the Academy of Pediatrics to do the campaign's technical assistance and, through newsletters and tracking, to amplify the campaign's messages. HHS is in discussions with the Academy on challenging its pediatricians to "adopt" child care centers.
- Federal Leadership Toward 100% Accreditation
DoD or USG pledge for full accreditation of all of its child care facilities.
- DoD Child Care Facilities Partner with Community Child Facilities to Improve Quality
POTUS announces that every accredited DoD child care facility will pair with a local, non-accredited community child care facility to help it achieve accreditation.
[HHS advises that in appropriations language, Kennedy inserted language for DoD to work with HHS toward improving quality in non-military facilities, but no money was specifically earmarked for this purpose -- need specifics]
- "Child Care Champion" Presidential Awards
POTUS calls for the establishment of presidential awards to honor family-friendly businesses that have improved the quality, accessibility or affordability of child care for their workers and/or the community in which the businesses are located.
- Presidential Advisory Commission on Child Care
Announcing his attention to appoint an Advisory Commission on Child Care, the President says that we are taking some steps today (i.e. listed above), but that there are broader issues that we as a society need to address about how to meet the growing need for quality, affordable child care. This Advisory Commission would be tasked to study the present system and help envision our child care system in the 21st Century. The Commission would present a set of recommendations, not just to the President, but also to all sectors of society for how best to meet this growing need.

Should fed govt do this?

- Are they stronger or weaker than state stds?

- Interact w/ accreditation agency stds

What's diff. about this?
How much \$?
How many kids?
How many pediatricians?

NAYEC

• Make sure children immunized in child care centers

MARCH 25, 1997

MEMORANDUM FOR BRUCE REED AND ELENA KAGAN

FROM: CYNTHIA RICE
SUBJECT: CHILD CARE IDEAS

The new welfare law increased child care spending by nearly \$4 billion--a hard-won victory for the President. Generally, analysts agree that the new law provides enough funding for welfare recipients entering the workforce. Yet there is growing concern that working poor families will be short-changed as available subsidies are directed toward former welfare recipients. Even the Congressional Budget Office last December concluded that the new law is \$1.4 billion short of the resources needed to maintain current child care programs for at-risk, working poor families and provide enough child care for newly working welfare recipients. In addition, there are persistent concerns about the quality of care most children receive in the typical child care setting.

Here are a few ideas for ways to address these problems.

- **Make the Child and Dependent Care Tax Credit Refundable.** Current tax law provides a tax credit for child care expenses of up to \$2,400 for one child and \$4,800 for two or more children. The credit is not refundable, however, meaning families with little or no income can't benefit. In August, the Joint Tax Committee concluded it would cost \$2.1 billion from 1997-2002 to make the tax credit refundable; the Treasury Department estimate was inexplicably twice as high. The Blue Dog budget released last month made the credit refundable but paid for it by eliminating the tax benefit for families with incomes over \$100,000.
- **Endorse Senator Kohl's "Child Care Expansion Act."** Senator Kohl's bill provides tax credits to private companies and institutions to encourage them to build quality child care centers on-site or near their companies. (Generally, child care centers are considered to be higher quality than family day care, which operate out of individual homes, because centers have to meet certain state staffing and safety rules.) His bill, introduced in January, was lauded in a recent edition of Working Mother magazine. It would provide a 50% credit for eligible activities up to \$150,000 per year per business. The Joint Tax Committee estimates the cost to be \$2.6 billion from 1997-2002.
- **Endorse Republican Senator Pat Roberts of Kansas' "Child Care Expansion Act."** His bill, which has not yet been introduced, would: 1) Increase the amount of the Child and Dependent Tax Credit to \$3,600 for one child and \$5,400 for two. This would not help the lowest-income families since the credit would still not be refundable. 2) Provide matching grants of up to \$50,000 for small businesses that work together to provide day care for their employees. 3) Expand the IRS rules to allow more parents to deduct home offices expenses from their taxes. This provision would allow an exception to the "exclusive use" rule permitting mixed use of space for business and personal purposes in the case of taxpayers who conduct home-based business while caring for dependents. 4) Encourage older Americans participating in federally-supported programs to provide child care services in their communities. A cost estimate for this bill is not yet available.