

# NEWS RELEASE GORDON H. SMITH

UNITED STATES SENATOR FOR OREGON

## ***NEWS RELEASE***

FOR IMMEDIATE RELEASE:  
April 15, 1998

CONTACT: John Easton  
202/224-8316  
or Mary Healy  
202/224-8329

### **SMITH UNVEILS NEW PLAN TO HELP STAY-AT-HOME PARENTS**

***The senator will introduce legislation to increase the per-child tax credit***

PORTLAND—Oregon Senator Gordon H. Smith announced today that he will propose legislation to give parents more opportunities to care for their pre-school children. Smith's plan will increase the per-child tax credit from \$500 to \$1,500 for families with children under the age of six.

Smith's child care plan is in response to a Clinton Administration policy that he says "discriminates" against parents who choose non-institutional care for their children, such as an at-home parent, grandparent, aunt, uncle, neighbor or nanny. Today, parents can enjoy government benefits only if they use an accredited facility to care for their children.

"Government policy should not discriminate against the best form of child care, where a child is taken care of by his or her parents or family," Smith said at a news conference at East Portland Community Center. "It should give money back to families, so families—not the government— can make the best choices for child care."

Smith's bill covers approximately 13 million children, and replaces the Dependent Care Tax Credit for children under the age of six. The senator said that instead of enhancing or starting new government programs, his plan will expand an existing tax credit that goes directly to families.

According to the Commerce Department's Census Bureau, nearly half of all children under the age of five do not have employed mothers and are still being cared for in the home. Moreover, when both parents work, most children are not put in formal day care centers.

"This credit would replace the current Dependent Care Tax Credit with real money that directly benefits families and restores equality and fairness in childcare," Smith said. "If parents decide to care for a child at home, we should encourage them. If parents decide to arrange to

(more)

work at home to be closer to their children, we should encourage them. We must make it possible for more families to give their children the very best child care—the care that occurs inside the home."

Like the \$500 per child tax credit that was passed in 1997, the new \$1500 credit applies to couples who earn less than \$110,000; an unmarried individual who earns less than \$75,000; and a married individual filing a separate return who earns less than \$55,000.

A recent poll conducted by Wirthlin Worldwide reported that when presented with nine different pre-school options, parents rated care by a child's own mother as the single most desirable form of care, regardless of race, age, party affiliation, or income level. In addition, a strong majority of Americans (71%) support tax relief to families with pre-school children.

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Robin J. Bachman	02/24/98 10:18:26 AM
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Record Type: Record

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

cc:

Subject: NORWAY PLANS and GOP Press Conference

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AP Online

February 24, 1998; Tuesday 02:58 Eastern Time

SECTION: Washington - general news

LENGTH: 460 words

HEADLINE: GOP Seeks Money for Child Care

BYLINE: MELISSA B. ROBINSON

AP-Republicans-Child-Care ,0491

DATELINE: WASHINGTON

BODY:

Republican leaders in Congress should make child care a priority in 1999 budget talks soon to get under way, two senior Republican senators and a GOP governor said.

"Republicans in Congress have a role in addressing child care," Sen. John Chafee, R-R.I., said Monday. Chafee, with Sen. Orrin Hatch, R-Utah, has proposed a child care bill that would provide \$15 billion to \$16 billion over five years.

The bill's main focus is expanding the dependent-care tax credit for stay-at-home parents up to \$900 per year per family and increasing child care block grants to the states. The tax credit is now available to working parents to offset the child care costs.

The senators appeared at a news conference with Rhode Island Gov. Lincoln Almond, a Republican who has proposed expanding his state's child care entitlement, the only such entitlement in the nation.

Now, Rhode Island families earning up to 185 percent of the federal poverty

level, or about \$24,500 for a family of three, receive a child care subsidy. Almond's plan would raise the income threshold to 250 percent of poverty, or about \$33,000 for a family of three.

"Congress and the president must step up to the plate to help me and other governors create a 21st century child care system," Almond said.

Unlike Democrats who have linked child care bills to future revenues from a tobacco tax, Chafee and Hatch have not identified a funding source for their bill. Both are opposed to using any money from a tobacco settlement, or a separate tobacco tax, for child care.

Their immediate goal is to convince colleagues on the Budget Committee to include child care money as a priority in the budget outline that will be written in the coming weeks and considered by the full Senate next month. A funding source would be identified later.

"As I understand it now, there's some suggestion there'll be some very substantial tax cuts in that budget, and there isn't funding for discretionary programs involving child care," Chafee said. "I think that's a mistake."

The bill is an alternative to a \$21.7 billion child care program proposed by the Clinton administration that focuses on working parents. The Clinton plan combines subsidies for low-income parents, tax credits for middle-class parents and tax incentives for businesses that provide their workers with child care.

A bill by Senate Democrats, led by Sen. Christopher Dodd of Connecticut, also includes a tax credit for stay-at-home parents but would cost \$25 billion to \$30 billion over five years. A key difference is that the Democrats want to make the tax credit available even to low-income families that don't owe taxes. Republicans fear such a provision would be too costly and hard to administer.

----- Forwarded by Robin J. Bachman/WHO/EOP on 02/24/98 10:17 AM -----



**BACHMAN\_R @ A1**  
02/24/98 09:51:00 AM

Record Type: Record

To: Robin J. Bachman

cc: Neera Tanden

Subject: NORWAY PLANS TO PAY PARENTS TO CARE FOR THEIR OWN CHILDREN

Date: 02/24/98 Time: 08:47

NNorway plans to pay parents to care for their own children

OSLO, Norway (AP) Faced with a chronic shortage of child-care centers, Norway plans to pay parents to stay home with their own kids a proposal that has pitted feminists against traditionalists in this staunchly egalitarian country.

``We are afraid that women will be the ones that end up staying home. We're worried that it will be a move back to more traditional roles and back to the kitchen for women," said Kristin Mile, Norway's deputy equality ombudswoman.

Under the proposal, parents of small children would get \$400 a month, in addition to other welfare benefits, on the condition that they don't use a public day-care center.

About 70 percent of mothers of young children in Norway work outside the home. But only 40 percent of children under the age of 3 have a spot in a subsidized child care centers a spot that costs the government about \$400 per child per month.

Supporters of the plan argue that cash gives parents the option of staying home with very young children, rather having to work.

``The key goal is a greater freedom of choice for families," the minister of families and children, Valgerd Svarstad Haugland, told parliament.

Critics say the plan would undo years of efforts to promote equal rights for women.

``Cash support will increase the differences between men and women, and as a result have a negative impact on sexual equality," said Mile.

Norway, the world's second-largest oil exporter, is a wealthy country and a very expensive one. That's one reason moms and dads usually both work.

Other critics worry that the plan will increase Norway's income gap. High-income parents might use the cash to pay for private child-care while both keep working, while lower-income parents would fall further behind in the job market if one parent decides to stay home.

Norway's Christian Democratic-led coalition government expects the package to be passed by parliament this spring. The program is due to start in August with 1- to 2-year-olds, and expand to include 3-year-olds next year. It will cost between \$346 million to \$400 million a year.

The cash, combined with other benefits, would mean that some families could even come out ahead financially creating another dilemma.

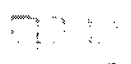
With the economy booming on oil wealth, and a shortage of workers in female-dominated health care and service jobs, an estimated 5,000 to 10,000 women quitting at once could wreak havoc on the job market.

``We have said the whole time that cash support would be a threat to our staffing," said Tove Stanges, leader of the Norwegian Health and Social Care Federation.

A worker shortage could also force up wages and fan inflation, but Elisabeth Rusdal, leader of the Norwegian Women and Families Association, said those concerns were exaggerated.

``Every woman in Norway isn't going to get pregnant at the same time just because of the cash payments," she said.

APNP-02-24-98 0858EST



Darby E. Stott  
01/28/98 07:11:37 PM

Record Type: Record

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

cc:

Subject: Statement by the President on the Senate Republican Child Care Proposal

**THE WHITE HOUSE**  
**Office of the Press Secretary**

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**For Immediate Release**

**January 28, 1998**

**Statement by the President on  
the Senate Republican Child Care Proposal**

Earlier this month, I unveiled an ambitious initiative to make child care better, safer, and more affordable. Last night, in my State of the Union Address, I asked Congress to reach across party lines to work on this important issue. I am very pleased that today, Senators Chafee, Hatch, Snowe, Roberts, Specter and Collins proposed a child care package that, like mine, significantly increases child care subsidies for poor children, provides additional tax relief to help low- and middle-income families pay for child care, creates a tax credit for businesses that provide child care to their employees, and improves state enforcement of health and safety standards. I look forward to working with Members of Congress in both parties to enact comprehensive child care legislation to meet the needs of children and families.

I believe that by continuing to work together on a bipartisan basis and by taking the best proposals from both sides of the aisle, we will achieve legislation that helps Americans fulfill their responsibilities as workers, and even more importantly, as parents. With this important contribution from Senator Chafee and his Senate colleagues, we move significantly closer to enacting child care legislation that is right for America's children.

-30-30-30-

Message Sent To: \_\_\_\_\_

News From  
**SENATOR JOHN CHAFEE**  
**RHODE ISLAND**



505 DIRKSEN BUILDING WASHINGTON D.C. 20510-3902 (202)224-2921

FOR IMMEDIATE RELEASE  
Wednesday AM, January 28th, 1998

Contact: Nicholas J. Graham  
202/224-6167

**CHAFEE: "CONGRESS MUST ENACT BIPARTISAN  
CHILD CARE LEGISLATION THIS YEAR"**

**Senator, Other Lawmakers, Unveil 'Comprehensive,  
Innovative and Balanced' Child Care Legislation**

Washington, D.C. — U.S. Senator John H. Chafee, a senior member of the Finance Committee and longtime advocate for affordable and quality day care programs, joined other lawmakers at a press conference in the Capitol this morning to unveil a comprehensive, balanced child care proposal that he said would have a positive impact on millions of children and working parents if enacted.

Chafee said the new child care bill which he and others lawmakers crafted will be a "comprehensive, responsible, balanced and pragmatic approach to a very critical and timely problem facing parents every day of their lives".

"Last night in his State of the Union Address, the President issued a clear challenge to Congress to draft and enact legislation to improve child care for working parents across the nation," Chafee said. "I accept that challenge, and state unequivocally that we are prepared to meet that challenge with the introduction of this innovative, comprehensive child care initiative in the Senate today."

Chafee added that he believed there were many goals that the President has outlined on child care that were commendable - such as early childhood development programs, expanding Head Start, and increasing funding for the Child Care and Development Block Grant (CCDBG) program - which Chafee helped author in 1989.

"There is no question that child care is a major challenge in the daily lives of parents everywhere, in terms of both the affordability and availability of quality day care. For most families in America today, child care is not an option, but a necessity. For most working parents, child care is not a luxury, but a fact of everyday life. Furthermore, action is needed now - more than ever before on child care - because we cannot expect welfare reform to work well if we do not provide affordable, accessible and quality day care to parents making the transition from welfare to work."

- MORE -

"The current system is unfair to lower and middle income families where one parent wants to stay at home with the children," Chafee continued. "Currently, the tax code provides for a tax credit for families that place their children in someone else's care, but no credit for a parent who stays home with his or her children. This isn't fair, and it is certainly not a level playing field for many parents with children. We need to find a balance that is fair for all families. The President's proposal does nothing to address the concerns and financial needs of stay-at home parents who choose to care for children. Our proposal does, and it sets the tone and tenor for the debate on child care."

"While the refrain is popular and often heard, it's simply not enough to say that parents *should* stay at home and care for children, and call it 'family values'. We must match our rhetoric with actions - namely, financial incentives which encourage parents who want to stay at home to care for children to be able to do so. Our goal in this bill is to remove the financial barriers that currently prevent parents from making the choice to stay at home and care for children in their early, formative years."

"We also set an income limit on families who benefit from the Dependent Care Tax Credit (DCTC). Under the current system, billionaire and Microsoft CEO Bill Gates gets the same DCTC as a single mother earning \$30,000, because everyone gets some credit, regardless of income. Bill Gates doesn't need the assistance. Working parents do. The President's proposal does not place any income restrictions on the DCTC, and I believe it should."

Chafee said the most important and innovative portion of the child care bill deals with offering tax incentives to parents who choose to stay at home to care for and raise their children in their early years, as well as tax incentives to businesses that provide on-site day care.

But he stressed that the second part of the new bill - addressing quality day care - was equally necessary. Specifically, the quality component will: double funding for the Child Care and Development Block Grant (an additional \$5 billion over five years); require states to accelerate and improve inspections and enforce existing state health and safety standards; encourage the development of child care programs for employees of small businesses through the creation of a small business child care grant program.

As a senior member of the Finance Committee - which has jurisdiction over tax policy - Chafee will be in a position to fight for tax incentives for working and stay-at home parents; tax credits for small businesses who construct or renovate on-site or near-site day care facilities for workers; and other measures to improve day care.

The bill was introduced by Chafee and Senator Orrin Hatch (R-UT). Original cosponsors are Senators Olympia J. Snowe (R-ME), Pat Roberts (R-KS), Arlen Specter (R-PA), and Susan Collins (R-ME).

**Editor's Note:** An outline of the bill is attached (2 pp.)



# United States Senate

WASHINGTON, DC 20510

## Summary of Caring for Children Act to be Introduced by Senators Chafee, Hatch, Snowe, Roberts, Specter and Collins Wednesday, January 28th, 1998

1. Provide additional tax relief to families to increase the affordability of child care, and make it more feasible for a parent to stay at home to care for a child:
  - a) Amend the Dependent Care Tax Credit (DCTC) to --
    - i) raise the income level to \$30,000 at which families become eligible for the maximum tax credit.
    - ii) raise the maximum percentage that parents can deduct of their child care expenses to 50 percent.
    - iii) reduce credit by 1% for each \$1,500 earned over \$30,000, phasing out credit at \$105,000.
  - b) Extend eligibility of DCTC to families with a stay-at-home parent by presuming that a stay-at-home parent has minimum child care expenses of \$150 per month; apply other rules as outlined in (a). This applies to stay-at-home parents with children age 3 or under.

Example: if one parent earns \$30,000, and the other parent stays at home for one year to care for the child, they would be eligible for the following credit:  $(50\%) \times (\$150/\text{month}) \times (12 \text{ months}) = \$900$ .
  - c) Promote greater availability of the Dependent Care Assistance Program (DCAP) for families with children by authorizing \$1 million annually for four years for the Department of Labor to conduct outreach to businesses to promote awareness of the DCAP program.
  - d) Provide 20% tax credit of expenses up to \$500,000 for employers who construct, renovate or operate on- or near-site facilities for child care for their employees (for a maximum credit of \$100,000).

2. Increase the Supply of Quality Child Care:

a) Authorize \$50 million per year to increase parents' access to information and to provide technological assistance to child care providers and workers to improve the quality of child care. These funds could be used by HHS for the following purposes:

- i) to collect and disseminate state-of-the art information on topics related to child care health and safety, as well as early childhood development. This information could be distributed through brochures, the Internet, a toll-free information hotline, resource and referral organizations, etc.
- ii) for grants to organizations to develop and operate a technology-based child care training infrastructure to enable child care providers to receive the training, education and support they need to improve the quality of child care.

b) Require states to beef up inspections and enforce existing state health and safety standards through a carrot/stick approach. States that inspect a certain percentage of the facilities they are required to inspect under state law would receive a 10% boost in their Child Care and Development Block Grant (CCDBG) funding. Starting in the second year, states that fail to meet a minimum threshold level of inspections would receive a 10% penalty, according to the following timetable:

<u>Year</u>	<u>To qualify for 10% bonus, must have inspection rate of at least:</u>	<u>10% penalty would apply for states with inspection rates under:</u>
FY1999:	75%	—
FY2000:	80%	50%
FY2001:	100%	75 %

c) Double the authorization for the CCDBG (this would amount to an additional \$5 billion in discretionary funding over 5 years, but would be phased in over time to keep pace with growing state capacity).

d) Encourage small businesses to develop child care programs for their employees through the creation of small business child care grant program. This demonstration project authorizes \$60 million over 3 years in competitive grants to be administered by the states.

e) Require federal child care facilities to comply with state health and safety standards.

f) Commission a GAO study to determine the extent to which liability concerns hinders the availability of child care. The report could examine whether fears regarding potential liability exposure deter employers from establishing on or near-site child care for their employees; schools or community centers from allowing their facilities to be used for on-site child care; and individuals from providing child care services in their homes. The GAO would have 6 months to report to Congress



UNITED STATES SENATOR • MAINE  
**SUSAN COLLINS**  
P R E S S R E L E A S E



For Immediate Release  
January 28, 1998

Contact: Felicia Knight  
(202) 224 2523

**SENATOR COLLINS IS ORIGINAL CO-SPONSOR FOR  
GOP CHILD CARE BILL**

WASHINGTON, D.C.--Senator Susan Collins is co-sponsoring child care legislation that is aimed at helping not only working parents, but also parents who choose to stay home. The bill, introduced by Senator John Chafee (R-Rhode Island), will increase the federal income tax credit available to low and middle-income parents for child-care expenses. It also creates a child-care grant program for small businesses to encourage them to develop child care programs for their employees.

"I'm happy to be an original co-sponsor of this bill," said Senator Collins, "because it recognizes the child-care problems faced by all parents, not just those who work outside the home." The child-care bill proposed by President Clinton does not allow a tax credit for parents who stay at home, many of whom are sacrificing an income while also incurring significant child-care costs.

The Chafee bill raises the income level at which working parents become eligible for the maximum tax credit from \$10,000 to \$30,000, and raises the maximum percentage of child care expenses which can be deducted from 30 to 50 percent.

The bill extends this benefit to stay-at-home parents with children age three and under, by applying the same eligibility guidelines and assuming minimum child-care expenses of \$150 per family.

"With this bill," said Senator Collins, "greater benefits will go to more Maine families in with middle and lower incomes."

Sen. Olympia Snowe (R-Maine) is also an original co-sponsor of the Chafee bill, along with Senators Orrin Hatch (R-Utah), Sen. Pat Roberts (R-Kansas), and Sen. Arlen Specter (R-Pennsylvania).

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# NEWS RE OLYMPIA

U.S. Senator for Maine

Post-It® Fax Note		Domestic Policy Council	
7671		Date	# of pages
To	Kevin	From	Dave Lackey
Co./Dept.	White House	Co.	Sen. Snowe
Phone #	456-5542	Phone #	48667
Fax #	456-2878	Fax #	8-1071

FOR IMMEDIATE RELEASE  
Wednesday, January 28, 1998

CONTACT: DAVE LACKEY  
(202) 224-5344

## SNOWE TARGETS STAY-AT-HOME PARENTS IN ROLLOUT OF NEW CHILD CARE INITIATIVE

*Snowe introduces Caring for Children Act with Senators Chafee, Hatch, Roberts, Specter*

WASHINGTON, D.C. —U.S. Senator Olympia J. Snowe today joined a team of concerned Republican lawmakers at a Capitol Hill News Conference to introduce the Caring for Children Act, which strengthens federal child care programs, and for the first time addresses the needs of parents who stay at home with their children.

"This bill represents a bold and innovative new approach that provides assistance not only to those working parents struggling to afford quality child care, but to those parents who decide to forego a second income and stay at home to care for young children," Snowe said. "It is not about pitting one group against another, or starting a 'mommy war'. It is about helping parents do the best they can for their children, no matter what choice they make."

The Maine Senator, a leader in Congress for nearly two decades on child care issues, made her comments as the legislation was unveiled at a Capitol Hill News Conference Wednesday. The legislation is the culmination of three months of work by Snowe and Senators John Chafee (R-R.I.), Orrin Hatch (R-Utah), Pat Roberts (R-Kan.) and Arlen Specter (R-Pa.) aimed at addressing the realities that face parents today.

"Our bill respects parents' decisions and expands the choices available in a number of innovative ways. By expanding the Dependent Care Tax Credit, we make it more affordable for parents to choose quality child care, but also leave the door open for a parent to stay at home with their child. And we target our tax benefits to those who need them most: working families," Snowe said. "We provide what parents need most: choices."

"The decision of how to care for a young child is deeply personal and difficult. Many feel handcuffed by economic concerns, others worry about the safety of child care, but all face different circumstances that make the decision-making process unique. The reality is that, despite our best efforts to date to make quality, affordable child care accessible, the myriad pressures facing American families today still imperil their ability to provide the best possible care for their children," Snowe said, noting that 63% of women with children under six are in the workforce, and one of every five Mainers works multiple jobs. "Millions of families struggle with decisions over who should care for their young children," she said.

The Caring for Children Act will take steps to improve affordability and quality of child care, and to increase the stake of the business community in providing child care to employees. Notable provisions include:

- **Affordability** - The Caring for Children Act doubles funding for the Child Care and Development Block Grant, from \$5 to \$10 billion, to make child care more affordable for millions of low-income working families.
- **Tax credit** - The bill increases the maximum Dependent Care Tax Credit from 30% to 50% of child care costs to permit working parents with child care expenses to take a maximum tax credit of \$1,200 for one child, or \$2,400 for two or more children. A maximum tax credit of \$900 would be available to parents who stay home for a year to care for a child aged three or younger.
- **Business commitment** - The bill provides tax credits to businesses for child care-related start-up costs of up to \$500,000, and provides grants to small employers for child care.
- **Liability** - The legislation commissions a study by the U.S. General Accounting Office to determine if liability concerns are hindering the availability of child care.
- **Quality** - To ensure that every child placed in child care has a healthy and safe environment, the legislation takes a 'carrot-and-stick' approach that provides bonuses to states that meet the targeted inspection rate while penalizing those who lag far below what is expected of them.

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January 28, 1998

## NEWS RELEASE

# ORRIN HATCH

*United States Senator for Utah*

*Contact: Paul Smith (202)224-9854*

### CHILD CARE

Eight years ago, Congress passed and President Bush signed the landmark Child Care and Development Block Grant Act. I was proud to have helped lead the effort, and I am proud of what our states have been able to accomplish since its implementation.

But, it is also clear that we must do more to help families. In my home state of Utah, more than half of the children under age 6 have either their only parent or both parents in the workforce.

The "Child Care Connection," a four-county resource and referral program, reported last year that there were five major Salt Lake zip codes that had zero openings for infants.

Utah child care officials have reported that there are too few slots generally for infants and toddlers and for special needs children.

It is my pleasure to be here today with Senators Chafee, Snowe, Roberts, and Specter, each of whom has a long track record of involvement in child care issues. We believe that we have developed a comprehensive, yet realistic, child care proposal that will augment the ability of the child care block grant to serve families in each state.

Of particular note, this proposal recognizes the choice that many families make to have one parent remain at home as primary caregiver. As important as it is to assist low- and middle-income families with necessary out-of-home child care expenses -- and our proposal will increase the Dependent Care Tax Credit for such families -- it is also important for us to realize the value of a parent in the home and that the sacrifice of a second income is also a child care expense.

Additionally, our proposal will not create major new programs in need of permanent funding. We do not intend to spend federal dollars on bigger bureaucracy in the name of expanding child care. We want available resources to be put directly in the hands of parents through tax credits and in the hands of states to address specific gaps in availability and enforcement of health and safety standards.

I am enthusiastic about the legislation we will be introducing and look forward to working toward its passage.

**Summary of the "Caring for Children Act"**  
**Sponsored by Senators Chafee, Hatch, Snowe,**  
**Roberts and Specter**

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b) Extend eligibility of DCTC to families with a stay-at-home parent by presuming that a stay-at-home parent has minimum child care expenses of \$150 per month; apply other rules as outlined in (a). This will apply to stay-at-home parents with children age 3 or under.

Example: If one parent earns \$30,000, and the other parent stays at home for one year to care for the child, they would be eligible for the following credit:  $(50\%) \times (\$150/\text{month}) \times (12 \text{ months}) = \$900$ .

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ii) for grants to organizations to develop and operate a technology-based child care training infrastructure to enable child care providers to receive the training, education and support they need to improve the quality of child care.

b) Require states to beef up inspections and enforce existing state health and safety standards through a carrot/stick approach. States that inspect a certain percentage of the facilities they are required to inspect under state law would receive a 10% boost in their Child Care and Development Block Grant (CCDBG) funding. Starting in the second year, states that fail to meet a minimum threshold level of inspections would receive a 10% penalty, according to the following timetable:

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c) Double the authorization for the CCDBG (this would amount to an additional \$5 billion in discretionary funding over 5 years, but would be phased in over time to keep pace with growing state capacity).

d) Encourage small businesses to develop child care programs for their employees through the creation of small business child care grant program. This demonstration project would authorize \$60 million over 3 years in competitive grants to be administered by the states.

e) Require federal child care facilities to comply with state health and safety standards.

f) Commission a GAO study to determine the extent to which liability concerns hinders the availability of child care. The report could examine whether fears regarding potential liability exposure deter: employers from establishing on or near-site child care for their employees; schools or community centers from allowing their facilities to be used for on-site child care; and individuals from providing child care services in their homes. The GAO would have 6 months to report to Congress.

NEWS RELEASE  
**Pat Roberts**

UNITED STATES SENATOR ■ KANSAS

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CONTACT: Betsy Holahan (202) 224-4774

**FOR IMMEDIATE RELEASE**

January 28, 1998

## **Roberts Holds Press Conference on Child Care Plan**

*"We need to protect our nation's most valuable resource — our children."*

WASHINGTON, DC — Kansas Senator Pat Roberts today will hold a press conference to unveil major legislation expanding child care options for working Americans.

Roberts and a group of Republican Senators will outline the "*Caring For Children Act*" — scheduled for Senate introduction today - at a 9:30 a.m. press conference in the Capitol's Senate Radio-TV Gallery (S-325).

"We believe child care should be accessible, affordable and safe for all children," Roberts said. "Finding quality, affordable child care is one of the most pressing problems for families in Kansas and around the country."

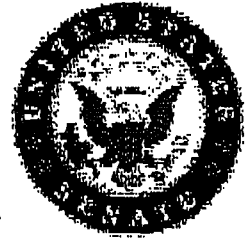
The legislation includes expansion of the Dependent Care Tax Credit and incentives for small businesses to provide added opportunity for child care for their employees. Those provisions were first proposed by Roberts in a bill last year.



NEWS RELEASE  
**Pat Roberts**

UNITED STATES SENATOR ■ KANSAS

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CONTACT: Betsy Holahan (202) 224-4774

**FOR IMMEDIATE RELEASE**

January 26, 1998

## **Roberts' Child Care Plan Included in Senate Bill**

WASHINGTON, DC -- Key provisions of Kansas Senator Pat Roberts' plan to expand child care options for working Americans are included in major legislation scheduled for Senate introduction.

The legislation being pushed by a group of Republican Senators includes expansion of the Dependent Care Tax Credit and incentives for small businesses to provide added opportunity for child care for their employees. Those provisions were first proposed by Senator Roberts in a bill last year.

"These provisions are the backbone of our legislation, which will be introduced within the next two weeks," Roberts said. "They represent a common-sense approach to helping working parents find dependable and affordable child care.

"Our goal is to expand child care opportunities without expanded government costs or intrusion in our lives.

"Child care, in the home when possible and outside the home when both parents work, goes right to the heart of keeping families strong. Unfortunately, finding quality, affordable child care is one of the most pressing problems for families in Kansas and around the country. I intend to make this legislation the highest priority."

The legislation allows families making \$30,000 to take advantage of the child care tax credit, which would be phased out for families with incomes over \$105,000. Additionally, it would be expanded to cover stay-at-home parents with children under age 6.

The legislation provides seed grants to small businesses and incentives for states to beef up health and safety standards.

In Kansas, only 39 (37 percent) of 105 counties meet the national standard of 25 child care slots per 100 children under age 13.

**Summary of Caring for Children Act  
to be Introduced by Senators Chafee, Hatch,  
Snowe, Roberts , Specter and Collins  
January 28, 1998**

1. Provide additional tax relief to families to increase the affordability of child care, and make it more feasible for a parent to stay at home to care for a child:

a) Amend the Dependent Care Tax Credit (DCTC) to —

- i) raise the income level to \$30,000 at which families become eligible for the maximum tax credit.
- ii) raise the maximum percentage that parents can deduct of their child care expenses to 50 percent.
- iii) reduce credit by 1% for each \$1,500 earned over \$30,000, phasing out credit at \$105,000.

b) Extend eligibility of DCTC to families with a stay-at-home parent by presuming that a stay-at-home parent has minimum child care expenses of \$150 per month; apply other rules as outlined in (a). This will apply to stay-at-home parents with children age 3 or under.

Example: if one parent earns \$30,000, and the other parent stays at home for one year to care for the child, they would be eligible for the following credit:  $(50\%) \times (\$150/\text{month}) \times (12 \text{ months}) = \$900$ .

c) Promote greater availability of the Dependent Care Assistance Program (DCAP) for families with children by authorizing \$1 million annually for four years for the Department of Labor to conduct outreach to businesses to promote awareness of the DCAP program.

d) Provide 20% tax credit of expenses up to \$500,000 for employers who construct, renovate or operate on- or near-site facilities for child care for their employees (for a maximum credit of \$100,000).

## 2. Increase the Supply of Quality Child Care:

- a) Authorize \$50 million per year to increase parents' access to information and to provide technological assistance to child care providers and workers to improve the quality of child care. These funds could be used by HHS for the following purposes:
- i) to collect and disseminate state-of-the art information on topics related to child care health and safety, as well as early childhood development. This information could be distributed through brochures, the Internet, a toll-free information hotline, resource and referral organizations, etc.
  - ii) for grants to organizations to develop and operate a technology-based child care training infrastructure to enable child care providers to receive the training, education and support they need to improve the quality of child care.
- b) Require states to beef up inspections and enforce existing state health and safety standards through a carrot/stick approach. States that inspect a certain percentage of the facilities they are required to inspect under state law would receive a 10% boost in their Child Care and Development Block Grant (CCDBG) funding. Starting in the second year, states that fail to meet a minimum threshold level of inspections would receive a 10% penalty, according to the following timetable:

<u>Year</u>	<u>To qualify for 10% bonus, must have inspection rate of at least:</u>	<u>10% penalty would apply for states with inspection rates under:</u>
FY1999:	75%	--
FY2000:	80%	50%
FY2001:	100%	75 %

- c) Double the authorization for the CCDBG (this would amount to an additional \$5 billion in discretionary funding over 5 years, but would be phased in over time to keep pace with growing state capacity).

d) Encourage small businesses to develop child care programs for their employees through the creation of small business child care grant program. This demonstration project authorizes \$60 million over 3 years in competitive grants to be administered by the states.

e) Require federal child care facilities to comply with state health and safety standards.

f) Commission a GAO study to determine the extent to which liability concerns hinders the availability of child care. The report could examine whether fears regarding potential liability exposure deter: employers from establishing on or near-site child care for their employees; schools or community centers from allowing their facilities to be used for on-site child care; and individuals from providing child care services in their homes. The GAO would have 6 months to report to Congress.

PAT ROBERTS  
KANSAS

202 HART SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-1606  
202-224-4774

COMMITTEES:  
ARMED SERVICES  
AGRICULTURE  
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ETHICS

# United States Senate

WASHINGTON, DC 20510-1606

## CARING FOR CHILDREN ACT SENATOR PAT ROBERTS January 28, 1998

I am pleased and honored to join with my colleagues to introduce legislation to help meet the child care challenges facing families around the nation. Our bill is entitled the "Caring for Children Act."

Child care, in the home when possible and outside the home when both parents work, goes right to the heart of keeping families strong. Unfortunately, finding quality, affordable child care is one of the most pressing problems for families in Kansas and around the country.

The "Caring for Children Act" takes the first steps to address this challenge through a responsible approach. This legislation expands child care opportunities without expanded government costs or intrusion in our lives. This legislation builds into the existing network without adding more government intervention or mandates. This legislation will help families that have two working parents and families that have a stay-at-home parent. This legislation will help to increase the supply of quality of child care.

First, in order to provide additional tax relief and increase affordability of child care, we expand the Dependent Care Tax Credit (DCTC) by raising the income level to \$30,000 at which families become eligible for the maximum tax credit. We also raise the maximum percentage of child care expenses that parents can deduct to 50 percent. These changes make the DCTC more realistic for families that face increasing child care costs.

Increasing the income level and the percentage of child care expenses that are deductible will help families where both parents work. But, we also recognize that families who choose to have one parent remain at home have child care expenses as well. Therefore, we extend eligibility for the DCTC to families with a stay-at-home parent. This provides greater options to more families and leaves child care choices where they should be--with the family. In order to target this credit to parents who need it the most and meet our fiscal responsibilities, the credit is phased out for higher income wage earners.

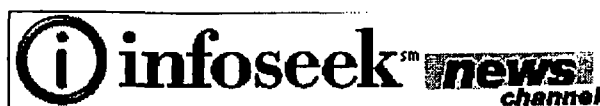
Small businesses play a critical role in providing child care options to millions of working parents. Unfortunately, small businesses generally do not have the resources required to start up and support a child care center. The "Caring for Children Act" includes a short-term, flexible grant program to encourage small businesses to work together to provide child care services for employees. This program is more of a demonstration project that will sunset at the end of three years. In the meantime, small businesses will be eligible for grants up to \$100,000 for start-up costs, training, scholarships, or other related activities. Businesses must continue to meet state quality and health standards. Businesses will be required to match federal funds to encourage self-sustaining facilities well into the future.

"Caring for Children" also includes provisions to provide a tax credit of expenses up to \$500,000 for employers who choose to construct, renovate, or operate on- or near-site child care facilities for their employees. And, "Caring for Children" includes funding to promote greater availability of the Dependent Care Assistance Program (DCAP) for families with children. This will allow the Department of Labor to conduct outreach to businesses to promote awareness of the DCAP program.

All children deserve quality care. Although all states have health and safety standards in place, many times these regulations are not enforced. "Caring for Children" includes incentives for states to improve their inspection efforts and ensure that facilities are in compliance with their own state standards. The bill also authorizes funding for the Department of Health and Human Services to get more information in the hands of parents and help child care providers access child care training programs.

Finally, we authorize additional funding for the Child Care and Development Block Grant. This program sends federal assistance to states, permitting them to allocate resources where they are most needed in the state. We maintain maximum flexibility and allow states to make decisions about how to address their own child care challenges.

Child care is an issue that impacts each and every one of us. While parents continue to struggle to meet the constant demand of work and family, we must continue to do our part to expand child care options and protect our nation's most valuable resource, our children. I look forward to working with all of my colleagues in this important effort.



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## Childcare Bills Drawn Up in Senate

06:51 a.m. Jan 27, 1998 Eastern

WASHINGTON (Reuters) - Two separate Senate initiatives outlined Monday would make **child-care** tax credits available for the first time to families in which one parent stays at home with young **children**.

Five **Republican** moderates drafted a **child-care** bill which would make the tax credits more available to lower- and middle- income families and offers some credits to families in which one parent stays home with the kids.

Rhode Island Sen. John Chafee, one of the five Republicans behind the **Caring for Children** Act, said the decisions on work and **child-care** should be left to families but by making the credit available to both groups "We are sending the message that the choice is yours and we support your choice."

Another bill, sponsored by Connecticut Sen. Chris Dodd and five liberal Senate Democratic colleagues, also supports stay-at-home parents by offering them a tax credit. The Dodd bill also includes public-private "challenge grants" to local communities that generate private-sector funds to expand and improve **child-care**, and assistance for lower-income families.

"We're facing a **child-care** crisis in this country," Dodd said. "It's time we give parents a greater choice and peace of mind as they juggle the responsibilities of work and home."

**Child-care** is emerging as a possible big issue in a congressional election year.

The **Republican** group, which also includes Sens. Orrin Hatch of Utah, Olympia Snowe of Maine, Arlen Specter of Pennsylvania and Pat Roberts of Kansas, plan to formally announce the bill on Wednesday, the day after President Clinton outlines his own **child-care** proposals in his State of the Union Address.

Clinton has said he plans a \$22 billion initiative to improve **child-care**. His proposal is focused more on working parents

than on stay-at-home caretakers.

Chafee said the **Republican** bill would also address the paucity of quality **child-care** by providing tax incentives for businesses to build centers in or near their offices. It would not set federal standards but would financially reward states that make and enforce health and safety standards.

Chafee said the bill would make the credit more available to lower- and middle-income families. People can now take a credit for a maximum of 30 percent of the **child-care** costs, but it would rise to 50 percent.

Families would become eligible for the maximum tax credit if they have an annual income of \$30,000. The credit would decrease gradually for wealthier families, stopping completely at \$105,000 annual income.

Families in which one spouse stays at home will be eligible for one-half the credit they would receive if they paid for **child-care** for **children** age six or under, assuming that the cost for one **child** each month would be \$100.

The Democratic initiative also includes provisions for increasing the quality and supply of after-school programs. Dodd said an estimated 5 million **children** are unsupervised from 3 p.m. to 6 p.m.

Joining Dodd are Senate Minority Leader Thomas Daschle of South Dakota, Edward Kennedy of Massachusetts, Tom Harkin of Iowa, Barbara Boxer of California, and Patty Murray of Washington.

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Date: 01/28/98 Time: 10:04

NTo: National Desk

To: National Desk

Contact: Tracey A. Mills of the National Conference of State Legislatures, 202-624-8667

WASHINGTON, Jan. 28 /U.S. Newswire/ -- Applauding President Clinton's statement on child care during his State of the Union Address, the National Conference of State Legislatures (NCSL) says his ideas build on state successes in child care and early childhood development.

"This is a great start for congressional discussion and action. We are pleased the president recognizes the role of states in balancing the availability, quality and affordability of care for all children. Focusing on early childhood care and after-school care is a step towards preventing teen pregnancy and juvenile delinquency," said Minnesota State Sen. Pat Piper, who has represented NCSL at White House presentations on child care.

NCSL supports a federal program that builds on state efforts without imposing national standards. However, NCSL does not support the president's decision to mandate state funds, derived from the

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the president's decision to mandate state funds, derived from the tobacco settlement, for child-care initiatives. ``Just as it is the role of the states to regulate child care, it is the right of states to direct the expenditure of the tobacco settlement funds,'' said New Hampshire House Speaker Donna Sytek.

Child care has been a growing priority of state legislatures for the past 20 years. Recognizing the social and economic importance of early childhood issues, state lawmakers have recently adopted policies to support working families and quadrupled legislation addressing early childhood issues.

``State legislators recognize that investing in the first few years of life has long lasting implications for many policy areas, including the economy, education, welfare reform, criminal justice and health care,'' said North Carolina State Rep. Dan Blue, president-elect of NCSL. With increased awareness towards quality child care and early education, more state legislatures are adopting policies aimed at accomplishing three related goals: support the healthy development of all children, support families' access to quality care and enhance parents' productivity, participation and stability in the workplace.

Specifically, state lawmakers are reaching these goals through policies such as developing innovative financing mechanisms and

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president-elect of NCSL. With increased awareness towards quality child care and early education, more state legislatures are adopting policies aimed at accomplishing three related goals: support the healthy development of all children, support families' access to quality care and enhance parents' productivity, participation and stability in the workplace.

Specifically, state lawmakers are reaching these goals through policies such as developing innovative financing mechanisms and public-private partnerships to increase supply or improve quality. Other state initiatives include ensuring that the legal framework for regulation works to prevent harm to children, improving child care through such strategies as promoting stronger provider qualifications, career development and improved compensation, creating incentives to encourage programs to provide higher quality care and encouraging coordinating child care with other activities such as part-day preschool programs, Head Start, health services and family support programs.

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Date: 01/28/98 Time: 16:49

CGOP child care: yes to tax cuts and stay-at-home moms

WASHINGTON (AP) Congressional Republicans are offering a child-care plan that focuses on tax cuts and stay-at-home mothers. But the whole issue is low on the leadership's list of priorities.

Sen. John Chafee, R-R.I., led a group of moderate Republicans in introducing a bill Wednesday, and said he was disappointed that child care did not make the GOP leaders' list of 19 priorities for the coming months.

"They don't really care about this issue," said Sen. Chris Dodd, D-Conn., who has introduced his own bill. "It's quite apparent."

In the House, many Republican leaders would just as soon leave child care alone, said Rep. Clay Shaw, R-Fla., who chairs a Ways and Means subcommittee that handles some child-care issues.

Shaw said there is plenty of federal child-care money available already for people coming off welfare, and Washington doesn't need to subsidize middle- and upper-middle-class families. Still, he said, the GOP may have no choice in this election year.

"I don't want to be perceived as being against child care but

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at some point you have to draw the line, and politically it's very awkward to do that," Shaw said. "It's an election year so people are going to act a little funny."

Republicans say they are prepared to answer President Clinton's call for a \$21.7 billion program that combines subsidies for low-income parents, tax credits for middle-class parents and tax incentives for businesses that provide their workers with child care.

In both the House and Senate, leaders are talking about tax credits for parents who stay at home to care for their children. And they're making the case for broad-based tax cuts that would give families more money to spend however they see fit.

Both approaches are in contrast to Clinton's plan, which targets working parents.

In the Senate, Republican Dan Coats of Indiana plans a news conference Thursday to push his argument that new money should be targeted to parents who stay at home with their children. He'll tout a poll by the conservative Family Research Council indicating parents would prefer to spend more time with their children if they could afford it.

Chafee's bill would allow stay-at-home parents to qualify for the dependent-care tax credit, which is available to working

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parents to offset the cost of child care. But, he notes, his plan would provide a maximum of just \$900 per year per family not enough for most parents to give up a second income.

''That's not going to take care of (many) working moms,'' he said.

His plan is estimated to cost about \$12 billion over five years, including \$5 billion for subsidies to low-income working parents.

But two co-sponsors, Sens. Orrin Hatch, R-Utah, and Susan Collins, R-Maine, emphasized its aid to stay-at-home parents.

''For the first time, we establish that a parent in the home is child care and sacrificing a second income is an expense,'' Hatch said.

Some wonder if Congress is sending mixed messages. Members tout new research showing the crucial brain development during a child's early years and argue parents should be encouraged to stay home. Yet the welfare overhaul law requires mothers to work.

In the House, Republican leaders have appointed Reps. Jennifer Dunn of Washington and Deborah Pryce of Ohio two working mothers to formulate child-care strategy. So far, they're focusing on tax breaks.

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