Summary of S. 1610: Senator Dodd's Child Care A.C.C.E.S.S. Act

(Affordable Child Care for Early Success and Security)

Improving the Affordability of Child Care

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

Enhancing the Quality of Child Care and Early Childhood Development

- Provide $3 billion in mandatory funding over 5 years through the block grant to encourage states to invest in activities known to produce significant improvements in the quality of child care and early childhood development, such as the following:

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

- Involve communities in improving the quality of early childhood development by providing grants to local collaboratives to improve parent education and supportive services, strengthen the quality of child care, improve health services, and improve services for children with disabilities.

Increasing the Availability and Quality of School-Age Child Care

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

- Through the 21st Century Community Learning Centers, provide $~~1 billion/5 years~~ 600 million / yr to encourage schools to create before and after-school programs.

Expanding the Dependent Care Tax Credit

- $12.2 B Make the credit refundable so that families with no or little tax liability (those making under $30,000) can receive assistance with child care expenses.

- Adjust the sliding scale to increase the credit for families earning under $60,000. For example, a family earning $30,000 with one child would be eligible for a credit of up to $1200, instead of $720 under current law.

- Index the current expense limits (currently $2,400 for one child and $4,800 for two or more children) for inflation to help the credit keep pace with rising child care. costs.

Supporting Family Choices in Child Care

- $4.3 B 0-1 yr old Allow stay-at-home parents with children under the age of 1 to claim a portion of the dependent care tax credit, based on imputed expenses of $90 per month (maximum credit = $540). This credit would also be made refundable to allow families earning under $30,000 to benefit. The credit is phased out for families earning over $70,000.

- Expand the Family and Medical Leave Act to include businesses with 25-50 employees. This would protect an additional 13 million working Americans and their families and would provide coverage for 71% of the private workforce -- an increase of 14%.

Encouraging Private Sector Involvement

- Create a new discretionary program of competitive "challenge grants" in which communities who generate funds from the private sector would be eligible for matched federal grants to improve the availability and quality of child care on a community-wide basis. Authorized at $1 billion over 5 years.
  Amount will go down

- Provide a 25% tax credit to employers ($500 million/5 years) for operating on-site child care centers, contracting for off-site child care, contributing to the costs of accreditation or operating resource and referral systems.

Ensuring the Quality of Federal Child Care Facilities

Require federal child care centers to meet all applicable state licensing standards.

SCHOOL READINESS

Rationale:

Children from lower income families are only half as likely to be enrolled in preschool as children from wealthier families. While the poorest children are eligible for Head Start, children of working families fall through the cracks. These children, who are already at risk for a number of problems, are further "educationally-disadvantaged" by arriving at school less ready to learn. Focusing on providing assistance to these families using a "school readiness" theme can recast the child care debate in a way that has more political traction, i.e., as a education initiative.

CT's Program

Last year CT enacted a School Readiness initiative designed to increase the supply of high quality child care for CT preschoolers. By uniting behind the cause of making sure that children start kindergarten ready to learn, CT successfully secured $55 million/year to create high quality child care programs in needy communities. Funding was automatically allocated by the state to CT's fourteen neediest communities. Other towns can compete for grants. As a condition of receiving funds, communities are required to form local councils which then award funds to individual child care programs.

The CT program does not presume that any single form of preschool is best -- schools, child care centers and Head Start Centers are all eligible for funding. Thus, a community can craft a program based on local resources and needs. An additional advantage of the CT program is that it was designed to neatly "wrap around" and leverage existing Head Start and child care dollars. For example, School Readiness funds can be used to extend a Head Start to full-day and full-year. To be eligible to receive funds, programs must be accredited or in the process of being accredited by the National Association for the Education of Young Children, or must meet Head Start or State standards.

Proposal for National School Readiness Legislation

- Create an incentive program within the Child Care and Development Block Grant to encourage states to ensure that children are ready to learn when they enter school.
- States would be allowed to funds for the following purposes
  - Providing training to home and center-based providers to help them prepare children for school
  - Linking compensation of providers to training in school-readiness
  - Creating support networks for home-based child care providers to provide school readiness training and information
  - Providing materials and equipment to child care providers to promote school readiness
  - Expanding activities to educate parents on the importance of school readiness
  - Addressing the needs of working families by expanding part-year or part-day

programs, including Head Start.

- Allotments to the states would be based on the same formula (FMAP)as the match portion of the block grant. States would be required to ensure that funding supplements, rather than supplants, current preschool spending.

TEEN LEGISLATION

Rationale:

Young children and college students receive the majority of society's attention and financial investment, despite the fact that it is during adolescence that young people make their first life-determining choices -- about whether to finish high school, to avoid or use drugs, to break the law, etc. Eliminating the main threats to the health and safety of American adolescents -- truancy, violence, substance abuse, lack of supervision after school, and working long hours at part-time jobs -- increases the odds that adolescents will successfully navigate the often difficult path into productive adulthood. This is a new focus for children's legislation and one that offers a cohesive way to embrace the disparate issues facing our youth. This is also a message with a shot at gaining bipartisan support, since it takes advantage of Republican interest in reducing crime and developing a competent workforce for the 21st century.

Partners: Susan Collins?

Proposal:

- **Truancy** (Suzanne and Brooke) -- update Dodd's S. 1369, "Prevention of Truancy Act of 1997"

- **Afterschool Care** (Jeanne): double funding (check with White House) for 21st Century

- **Violence (??)**: use reauthorization of Safe and Drug-Free Schools

- **Substance Abuse** (Jeanne): use S. 793 "Substance Abuse Treatment for Adolescents Act"

- **School Health Centers** (Jeanne): Increase funding for HRSA's Healthy Schools/Health Communities

- **Teen Labor** (Dan): draft legislation that follows through on the NRC and IOM's recommendation that limits be placed on the number of hours that teens can work during the school year.

- **Adolescents Aging out of Foster Care** (Jim): get information from HHS Legislative Affairs.

To: John Podesta
From: Senator Christopher J. Dodd
Re: Follow-up to December 21 Meeting
Date: December 22, 1998

As we discussed, below I've outlined my proposal for legislation targeting the primary risks to adolescents.

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Proposal:

- **Truancy**, which is typically the first signal of bigger and more costly problems like dropping out of school and juvenile crime, has increased 35% in recent years. In addition to the personal cost to adolescents from lost educational opportunities, truancy places an additional burden on our already strained foster care and juvenile court systems. I'm planning to incorporate into the larger Teen bill, my Prevention of Truancy Act of 1997, S. 1369, which would fund partnerships composed of schools, law enforcement, and social service organizations to develop innovative projects to prevent or reduce truancy.

- **Afterschool Care:** Although it is commonly thought that juvenile crime occurs mostly late at night, the peak hours are actually between 3:00 and 6:00 pm -- after school hours when many children are unsupervised. In addition, research has shown that adolescents left home alone after school report greater use of cigarettes, alcohol, and marijuana than those who were in supervised settings. I would propose continuing to build on the popular 21st Century Community Learning Centers. Doubling funding to $400 from the $200 million appropriated this year for this program would give more teens the chance to be safe and productive when the school day ends. (see attached)

- **Violence**: The recent spate of school shootings highlights the need to help troubled children early -- before tragedies occur. I am developing legislation to give schools and community organizations that work with adolescents the necessary tools and resources to identify and intervene quickly in potentially violent situations.

- **Substance Abuse**: Despite some positive trends, drug use among youth remains at unacceptably high levels. Additionally, adolescents seeking help with substance abuse find that many treatment programs fail to recognize the special challenges of teens. I'm planning on incorporating into the larger Teen Bill my "Substance Abuse Treatment for Adolescents Act", S. 793 which creates a setaside in federal substance abuse money for teens.

- **School Health Centers**: Locating health services where 45 million children spend the vast majority of their time -- their school building -- has tremendous potential for reaching adolescents, who too often fall through the cracks of the traditional health care system. In addition, school health clinics can serve as a logical outreach site to enroll eligible adolescents in Medicaid and the Children's Health Insurance Program. I am drafting legislation to increase the federal commitment to providing critical health services to adolescents through locally administered school-based health centers.

- **Teen Labor**: Although there are some benefits to teenagers holding down part-time jobs while in school, high school students who attempt to balance educational demands with working 20 or more hours a week demonstrate poorer grades, lower school achievement, more substance abuse, more school discipline problems, an insufficient amount of sleep and exercise, and job-related injuries, according to recent finding by the National Research Council and the Institute of Medicine. I intend to draft legislation that follows through on the NRC and IOM's recommendation that limits be placed on the number of hours that teens can work during the school year.

- **Adolescents Aging out of Foster Care**: Foster children who reach the age of majority are too often thrown into the world without the necessary resources to help them successfully transition into adulthood. Without basic supports like vocational training, housing, and health insurance, these adolescents are particularly vulnerable to falling through the cracks. We've had preliminary discussions with HHS Legislative Affairs about incorporating this concept into the larger Teen Bill.

Draft Outline of Dodd Bill on Family Leave Insurance Demonstration Program

Authorize $200 million for a demonstration program, jointly run by the Department of Labor and the Department of Health and Human Services, which would fund demonstration projects in a number of states to experiment with different mechanisms of providing for family leave insurance.

Encourage the DOL and HHS to fund programs utilizing different approaches, including: Temporary Disability Insurance and expansion of state Unemployment Insurance Compensation to provide partial or full wage replacement to employees taking leave to care for new or ill family members.

States or local governments would be eligible to apply for funding. Applications would be required to show:

1) planning that involved the employer and employee communities,
2) estimates of costs and benefits,
3) extent of coverage, and;
4) how the proposal builds on existing state and private systems.

Applicants would not be limited to only covering employees on FMLA leaves. States could chose to expand this group to employees not covered by the FMLA, to parents who chose to stay at home with young children, and to those taking leaves for other reasons.

Evaluation. Require that projects be thoroughly evaluated, particularly on the costs and benefits of the insurance. In addition, DOL and HHS would coordinate national research comparing the different mechanisms of providing insurance, the experiences of the different demonstration projects and analyzing overall need for insurance.