

Originally Processed With FOIA(s):

S

FOIA Number:

2011-2184-F

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13485
Folder ID Number: 13485-003

Folder Title:
Child Care--White House Wire, 4/28/89

Stack:	Row:	Section:	Shelf:	Position:
G	26	15	7	1

PRESIDENT BUSH'S POSITION ON CHILD CARE

The President's philosophy on child care was spelled out in his February 9, 1989, Message to the Congress, "Building a Better America."

"My philosophy with respect to child care is to put choice in the hands of parents and not in the hands of the State ... I will build a policy around parental choice. Particularly we must find a way to put a greater range of choices in the hands of low-income parents -- because they face the greatest difficulty in meeting the demands of work and family."

Building upon this philosophy, the President proposed "The Working Family Child Care Assistance Act of 1989," which will expand child care assistance to low income families by making a refundable tax credit available to families with children under age four. This legislation was sent to the Congress this week and embodied four important principles:

1. Parents, who are best able to make decisions about their children's care, should have the discretion to make these decisions. New Federal support for child care should go directly to parents. They, rather than bureaucracies or providers, should control the disposition of funds and decide what the greatest needs are for their children.

2. Federal policy should not discriminate against parents who work at home. Federal policy now largely ignores the contributions and sacrifices in income made by two-parent families in which one spouse works at home to care for their children. Federal policy must correct this discrimination.

3. Federal policies should act to increase, not decrease, the range of child care choices available to parents. The Federal government should not become involved in licensing decisions, and federal financial support should not be made contingent upon state licensing decisions. Churches, neighbors, and other family members can provide excellent care. Burdensome Federal regulations would increase the cost and reduce the supply of care availability to parents.

4. New Federal assistance should be targeted to families most in need. Low and moderate income families, particularly those with young children, face the greatest difficulty in meeting the needs of their children. This new legislation would also change the current child care tax credit already available to working families -- to make it refundable. This way, low-income families with no tax liability would be eligible for assistance, along with moderate-income families who currently qualify for the tax credit.

THE WHITE HOUSE
WASHINGTON

April 28, 1989

MEMORANDUM FOR CHRISS WINSTON
DEPUTY ASSISTANT TO THE PRESIDENT
FOR COMMUNICATIONS

FROM: MICHAEL J. ASTRUE *MA*
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: White House Wire on Child Care

Counsel's office has reviewed the above-referenced wire, and we have no legal objection to it.

Thank you for submitting this matter for our review.

cc: James W. Cicconi

Already incorporated on
master.

Church/state issues

The President's approach does not fall into the thicket of Establishment Clause issues raised by ABC. The Establishment Clause of the Constitution prohibits laws that advance religion.

- o Over one-third of child care centers are religiously affiliated.
- o ABC would prohibit funds from reaching these centers unless they abandon all religious content to their programs.
 - Singing of ^{religious songs} ~~"Jesus Loves Me"~~ would be prohibited.
 - Scripture readings would not be allowed.
 - Prayers could not be said before meals.
 - Religious holidays like Easter and Passover could not be celebrated.
- o Aid to religiously affiliated centers would be open to significant legal challenges, covering such issues as the display of religious pictures or symbols and even the eligibility of religiously-affiliated centers to receive funds, no matter how non-sectarian their programs.

((Grant/Martin))
April 26, 1989
a:wire428

THE WHITE HOUSE WIRE
ON CHILD CARE

April 28, 1989

ADMINISTRATION'S CHILD CARE PLAN TARGETS LOW-INCOME PARENTS

On March 15, President Bush sent legislation to the Congress, the "Working Family Child Care Assistance Act of 1989," and the "Head Start Amendments of 1989." These bills represent a significant, fiscally responsible step toward meeting the President's commitment to empower parents, especially low-income parents, to make critical decisions about their children's care.

The Working Family Child Care Assistance Act: Low-income families, in which a parent works, would be eligible for a tax credit of up to \$1,000 per child under age four. This child credit would be refundable and, thus, available to families who have no income tax liability. Two-parent families in which one parent stays at home to care for the children, single working parents and dual-earner couples with children would all benefit from the credit. Eligibility for the credit would be phased in, benefiting families with income below \$13,000 in 1990 and families with income below \$20,000 by 1994. Initially, 2.5 million families would be eligible for the credit initially, 3.5 million when the credit is fully implemented. In addition, the current child care credit would be made refundable as well, qualifying another 1 million families. Families would be free to

choose the kind of child care that best suits their needs -- care through relatives, neighbors, child care centers or religiously-affiliated care.

The Head Start Amendments of 1989: FY 1990 authorization for Head Start would be increased by \$80 million for a total request funding increase of \$250 million over FY 1989, to pay for the enrollment of up to 95,000 more disadvantaged four-year olds. The proposed expansion would increase the range of choices available to low-income families in meeting their child care needs. In addition, through Head Start's comprehensive approach, which provides educational, medical, nutritional and social services to children at risk of falling behind, the newly participating children would be given a better start in life.

SECRETARY OF LABOR DOLE TESTIFIES ON THE PRESIDENT'S BILL

Secretary of Labor Elizabeth Dole testified in support of the Administration's child care proposal before the Senate Finance Committee on April 19, 1989 and before the Human Resources Subcommittee of the House Ways and Means Committee on April 27, 1989. The Secretary outlined the guiding principles behind the President's program:

1. **More parental choice** -- Parents -- who are the best judges of quality care and know what is in their childrens' best interest -- should have the discretion to make decisions about their children's care.

2. **Encourages options** -- Federal policy should increase, not decrease, the range of options available to parents.

~~Chair~~
3. **Non-discrimination** -- Federal child care policy should not discriminate against those families who sacrifice the income of a second career for one parent to stay at home to care for their children.

4. **Targeted to the poorest families** -- Assistance should be targeted to low-income families, particularly those with young children.

The Secretary added that at the President's direction, the Department of Labor is studying the extent to which market barriers prevent employers from obtaining liability insurance necessary to provide child care at or near their employees' worksites.

TAKE A LOOK AT THE FACTS: ABC BILL IS NOT THE ANSWER FOR PARENTS

~~Parent~~
The Democratic leadership has proposed the "Act for Better Childcare," with Senator Dodd as its principal sponsor. This bill, "ABC," does not meet the President's principles for increasing child care options and parental choice:

Parental choice: ABC puts its trust in government, not parents. No money goes directly to parents. All money goes to the States. The States then fund providers, not parents, through grants, contracts, and certificates that they, not parents, arrange or approve. It is the States for the most part, not parents, who ultimately make decisions on the care children will receive.

Love

Received

Targeted to families most in need: ABC is not well-targeted and would serve only a fraction of families most in need. Families with incomes as high as 4 times the poverty level are eligible for ABC. Only a small number of eligible children would actually receive care under ABC -- 6 percent in 1990 according to the sponsors' estimates -- and there is not guarantee that they

would be from families most in need. Only one million children, the sponsors say, would receive child care services from the States -- far less than the number of children in the 3.5 million families that would initially benefit from the President's tax credit proposals.

MYTHS AND FACTS ABOUT CHILD CARE TODAY

MYTH: Most children are being cared for in day care centers.

FACT: Less than 11% of children under 5 are cared for in child care centers. Only 46% of children under five have employed mothers. Of mothers who are employed, the great majority use relatives or neighbors as child care providers. For parents with young children who prefer to care for their children themselves while their spouses work, the President's proposals will shift the economics of work and child care in their favor. The President's proposals discriminate neither against day care centers nor mothers caring for children at home.

MYTH: Only wealthy married couples can afford to have one parent stay home to care for their children.

FACT: In more than half of all married-couple families with children whose income was less than \$20,000 in 1986, the mother stayed at home to care for the children. In contrast, mothers stayed at home to care for the children in less than one-third of all married-couples with children and incomes over \$20,000. Eighty-three percent of children in center-based care come from two-earner families. Subsidies to center-based care (such as ABC

offers) offer financial assistance to families that are already comparatively better off.

MYTH: Federal day care standards are necessary because day care is largely unregulated.

FACT: All states currently regulate day care to some extent.

Every state licenses child care centers and all but one regulate some or all family day care homes. State and local governments are best able to determine what standards are needed for child care. Federal standards, proposed in the past, will not work. Congress, realizing this, prohibited implementation of federal standards in 1980.

MYTH: Religiously-affiliated day care will benefit from new federal day care programs.

FACT: As many as one-third of day care centers are religiously-affiliated. Under current Supreme Court decisions on this subject, direct government assistance (such as through ABC) might require that these facilities drop religious components of their curriculum to receive assistance. Under these cases, these facilities may be wholly ineligible for assistance, just as many religious elementary schools are now precluded by the Court from receiving direct financial assistance. The President's approach does not fall into the thicket of legal problems raised by ABC, because assistance goes directly to parents.

MYTH: Unregulated child care is unhealthy and unsafe for children.

FACT: The typical "unregulated" day care provider is a mother caring for one or two other neighborhood children, along with her own child. In contrast, in day care centers, the average ratio of children to staff is five to one. According to an HHS report, The National Daycare Home Study, unregulated family child care is "stable, warm and stimulating ... it caters successfully to the developmentally appropriate needs of children in care; parents who use family day care report it satisfactorily meets their child care needs ... [the study's] observers were consistently impressed by the care they saw regardless of regulatory status."

#

((Grant/Martin))
April 26, 1989
a:wire428

THE WHITE HOUSE WIRE
ON CHILD CARE

April 28, 1989

ADMINISTRATION'S CHILD CARE PLAN TARGETS LOW-INCOME PARENTS

On March 15, President Bush sent legislation to the Congress, the "Working Family Child Care Assistance Act of 1989," and the "Head Start Amendments of 1989." These bills represent a significant, fiscally responsible step toward meeting the President's commitment to empower parents, especially low-income parents, to make critical decisions about their children's care.

The Working Family Child Care Assistance Act: Low-income families, in which a parent works, would be eligible for a tax credit of up to \$1,000 per child under age four. This child credit would be refundable and, thus, available to families who have no income tax liability. Two-parent families in which one parent stays at home to care for the children, single working parents and dual-earner couples with children would all benefit from the credit. Eligibility for the credit would be phased in, benefiting families with income below \$13,000 in 1990 and families with income below \$20,000 by 1994. Initially, 2.5 million families would be eligible for the credit; ~~initially~~ 3.5 million, when the credit is fully implemented. In addition, the current child care credit would be made refundable ~~as well~~, qualifying another 1 million families. Families would be free to

choose the kind of child care that best suits their needs -- care through relatives, neighbors, child care centers or religiously-affiliated care.

The Head Start Amendments of 1989: ~~FY 1990 authorization for~~
Funding for Head Start would be increased by ~~\$80 million for a total request~~
~~funding increase of~~ \$250 million over *the* FY 1989, *level* to pay for the enrollment of up to 95,000 more disadvantaged four-year olds.

The proposed expansion would increase the range of choices available to low-income families in meeting their child care needs. In addition, through Head Start's comprehensive approach, which provides educational, medical, nutritional and social services to children at risk of falling behind, the newly participating children would be given a better start in life.

SECRETARY OF LABOR DOLE TESTIFIES ON THE PRESIDENT'S BILL

Secretary of Labor Elizabeth Dole testified in support of the Administration's child care proposal before the Senate Finance Committee on April 19, 1989 and before the Human Resources Subcommittee of the House Ways and Means Committee on April 27, 1989. The Secretary outlined the guiding principles behind the President's program:

1. **More parental choice** -- Parents -- who are the best judges of quality care and know what is in their childrens' best interest -- should have the discretion to make decisions about their children's care.

2. **Encourages options** -- Federal policy should increase, not decrease, the range of options available to parents.

3. **Non-discrimination** -- Federal child care policy should not discriminate against those families who sacrifice the income of a second career ^{to have} ~~for~~ one parent to stay at home to care for their children.

4. **Targeted to the poorest families** -- Assistance should be targeted to low-income families, particularly those with young children.

The Secretary added that at the President's direction, the Department of Labor is studying the extent to which market barriers prevent employers from obtaining liability insurance necessary to provide child care at or near their employees' worksites.

TAKE A LOOK AT THE FACTS: ABC BILL IS NOT THE ANSWER FOR PARENTS

The Democratic leadership has proposed the "Act for Better Child^Ccare," with Senator Dodd as its principal sponsor. This bill, "ABC," does not meet the President's principles for increasing child care options and parental choice:

Parental choice: ABC puts its trust in government, not parents. No money goes directly to parents. All money goes to the States. The States then fund providers, not parents, through grants, contracts, and certificates that they, not parents, arrange or approve. It is the States, ~~for the most part~~, not parents, who ^{have the} ultimately ^{decision-making power} ~~make decisions~~ on the care children will receive ^{under ABC.}

Encourages options: ABC imposes federal day-care standards on all providers who receive public assistance. These costly requirements will put some current child care providers out of business, keep potential providers from offering care, and drive up the cost of care available for all parents. Parents who want their children to be taught and guided by the religious values that are central to their lives would not be able to ^{receive} assistance: All caretakers -- including relatives -- are prohibited from engaging in sectarian activities, worship or instruction in providing services under ABC.

In fact, parents could not use their ABC eligibility to have anyone other than a grandparent, aunt or uncle care for their children unless (1) the State rules in each individual case that the person was an "eligible child care provider," (2) the person and his/her home meets Federal standards, and (3) the person submits to governmental grant, contract and paperwork requirements.

Non-discrimination: ABC serves two parent families only if both parents are employed, perpetuating the discrimination against two parent families in which one parent stays at home to care for the children.

Targeted to families most in need: ABC is not well-targeted and would serve only a fraction of families most in need. Families with incomes as high as 4 times the poverty level are eligible for ABC. Only a small number of eligible children would actually receive care under ABC -- 6 percent in 1990 according to the sponsors' estimates -- and there is not ^{le} guarantee that they

would be from families most in need. Only one million children, the sponsors say, would receive child care services from the States -- far less than the number of children in the 3.5 million families that would initially benefit from the President's tax credit proposals.

MYTHS AND FACTS ABOUT CHILD CARE TODAY

MYTH: Most children are being cared for in day care centers.

FACT: Less than 11% of children under 5 are cared for in child care centers. Only 46% of children under five have employed mothers. Of mothers who are employed, the great majority use relatives or neighbors as child care providers. For parents with young children who prefer to care for their children themselves while their spouses work, the President's proposals will shift the economics of work and child care in their favor. The President's proposals discriminate neither against day care centers nor mothers caring for children at home.

MYTH: Only wealthy married couples can afford to have one parent stay home to care for their children.

FACT: In more than half of all married-couple families with children whose income was less than \$20,000 in 1986, the mother stayed at home to care for the children. In contrast, mothers stayed at home to care for the children in less than one-third of all married-couples with children and incomes over \$20,000.

Approximately 80%
~~Eighty-three percent~~ of children in center-based care come from two-earner families. Subsidies *biased toward* ~~to~~ center-based care (such as ABC's)

~~offers~~ offer financial assistance to families that are already comparatively better off.

MYTH: Federal day care standards are necessary because day care is largely unregulated.

FACT: All states currently regulate day care to some extent. Every state licenses child care centers, and all but one regulate some or all family day care homes. State and local governments are best able to determine what standards are needed for child care. Federal standards, proposed in the past, will not work. Congress, realizing this, prohibited implementation of federal standards in 1980.

MYTH: Religiously-affiliated day care will benefit from new federal day care programs.

FACT: As many as one-third of day care centers are religiously-affiliated. ^{ABC prohibits assistance "for any sectarian purpose or activity, including sectarian worship and instruction."} Under current Supreme Court decisions on this subject, direct government assistance (such as through ABC) might

require that ^{Religiously-affiliated} these facilities ^{must} drop religious components of their curriculum to receive assistance. ^{Also, litigation may render} Under these cases, these

^{day-care} facilities [may be] wholly ineligible for assistance, just as many religious elementary schools are now precluded [by the Court] from receiving direct financial assistance. ³ The President's approach does not fall into the thicket of legal problems raised by ABC, because assistance goes directly to parents.

Effect of these changes:

1. Use words of ABC itself to make the point about curriculum.
2. Cut claim about what courts might do to the question of whether any assistance may be provided.

MYTH: Unregulated child care is unhealthy and unsafe for children.

FACT: The typical "unregulated" day care provider is a mother caring for one or two other neighborhood children, along with ^{her} ~~her~~ own child. In contrast, in day care centers, the average ratio of children to staff is five to one. According to an ^{ABT Associates report} ~~HHS~~ report, The National Daycare Home Study, unregulated family child care is "stable, warm and stimulating ... it caters successfully to the developmentally appropriate needs of children in care; parents who use family day care report it satisfactorily meets their child care needs ... [the study's] observers were consistently impressed by the care they saw regardless of regulatory status."

#

April 28, 1989

MEMORANDUM FOR CHRISS WINSTON

FROM; DENISE SCHWARZ
OFFICE OF CABINET AFFAIRS

SUBJECT; WHITE HOUSE WIRE ON CHILD CARE

LOG # 031439SS

We have reviewed the attached and have incorporated our comments.

Attachment

cc: Jim Cicconi

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/28/89 ACTION/CONCURRENCE/COMMENT DUE BY: 4/28/89 6:00 PM

SUBJECT: WHITE HOUSE WIRE ON CHILD CARE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☒	NEWMAN	☐	☐
SCOWCROFT	☐	☐	PORTER	☒	☐
DARMAN	☒	☐	STUDDERT	☐	☐
BATES	☒	☐	UNTERMAYER	☐	☐
BREEDEN	☒	☐	ROGERS	☐	☒
CARD	☐	☒	WINSTON	☐	☒
CICCONI	☐	☒	PINKERTON	☒	☐
DEMAREST	☒	☐		☐	☐
FITZWATER	☐	☒		☐	☐
GRAY	☒	☐		☐	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 6:00 PM, TODAY, Friday, April 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

— Jack Phelan 245-1753
— John Heubosch (Labor) 523-9073

((Grant/Martin))
April 26, 1989
a:wire428

1989 APR 28 10:10

THE WHITE HOUSE WIRE
ON CHILD CARE

April 28, 1989

ADMINISTRATION'S CHILD CARE PLAN TARGETS LOW-INCOME PARENTS

On March 15, President Bush sent legislation to the Congress, the "Working Family Child Care Assistance Act of 1989," and the "Head Start Amendments of 1989." These bills represent a significant, fiscally responsible step toward meeting the President's commitment to empower parents, especially low-income parents, to make critical decisions about their children's care.

The Working Family Child Care Assistance Act: Low-income families, in which a parent works, would be eligible for a tax credit of up to \$1,000 per child under age four. It would be made refundable; and, thus, available to families who have no income tax liability. This will make 2.5 million families eligible for the credit initially, 3.5 million when the credit is fully implemented. In addition, the current child care credit would be made refundable as well, qualifying another 1 million families. Two-parent families in which one parent stays at home to care for the children, single working parents and dual-earner couples with children would all benefit from the credit. Families would be free to choose the kind of child care that best suits their needs -- care through relatives, neighbors, child care centers or religiously-affiliated care.

The Head Start Amendments of 1989: FY 1990 authorization for Head Start would be increased by \$250 million, to pay for the enrollment of up to 95,000 more disadvantaged four-year olds. The proposed expansion would increase the range of choices available to low-income families in meeting their child care needs. Through a comprehensive approach that provides educational, medical, nutritional and social services to children at risk of falling behind, Head Start gives disadvantaged children a better start in life.

SECRETARY OF LABOR DOLE TESTIFIES ON THE PRESIDENT'S BILL

On April 19, 1989, Secretary of Labor Elizabeth Dole testified before the Senate Finance Committee in support of the Administration's child care proposal. The Secretary outlined the guiding principles behind the President's program:

1. **More parental choice** -- Parents are the best judge of quality care and know what is in their childrens' best interest.
2. **Encourages options** -- Federal policy should increase, not decrease, the range of options available to parents.
3. **Non-discrimination** -- The Federal government should not discriminate against those families who sacrifice the income of a second career for one parent to stay at home to care for their children.
4. **Targeted to the poorest families** -- Assistance should be targeted to low-income families, particularly those with young children.

The Secretary added that, at the President's direction, the Department of Labor will study the extent to which market barriers or failures prevent employers from obtaining liability insurance necessary to provide child care at or near their employees' worksites.

TAKE A LOOK AT THE FACTS: ABC BILL IS NOT THE ANSWER FOR PARENTS

The Democratic leadership has proposed the "Act for Better Childcare," with Senator Dodd as its principle sponsor. This bill, "ABC," does not meet the President's principles for improving child care options and parental choice:

Parental choice: ABC puts its trust in government, not parents. No money goes directly to parents. All money goes to the States. The States then fund providers, not parents, through grants, contracts, and certificates that they, not parents, arrange and approve. It is the States, ^{for the most part,} not parents, who ultimately make decisions on the care children will receive.

Encourages options: ABC imposes federal ^{day-care} requirements on all providers who receive public assistance. ~~It is federal, state, county, city or other local government.~~ These costly requirements will put some current child care providers out of business, keep potential providers from offering care, and drive up the cost of care available for all parents. Parents who want ~~to~~ their children to receive religiously-affiliated child care could not receive aid under ABC. ~~It is this includes all caretakers, including relatives.~~

In fact, parents could not use their ABC eligibility to have anyone other than a grandparent, aunt or uncle care for their children in the children's own home -- unless (1) the State rules in each individual case that the person was an "eligible child care provider," (2) the person and his/her home meets Federal standards, and (3) the person submits to governmental grant, contract and paperwork requirements.

Non-discrimination: ABC serves two parent families only if both parents are employed, perpetuating the discrimination against two parent families in which one parent stays at home to care for the children.

Targeted to families most in need: ABC is not targeted and would serve only a fraction of families most in need. Families with incomes more than 4 times the poverty level are eligible for ABC, yet only a small number of eligible children would receive care -- 6 percent according to the sponsors' estimates. Only one million children, according to the sponsors' would receive child care services from the States -- far less than the number of children in the 3.5 million families that would initially benefit from the President's tax credit proposals.

MYTHS AND FACTS ABOUT CHILD CARE TODAY

MYTH: Most children are being cared for in day care centers.

FACT: Less than ^{14%}~~10%~~ of children under 5 are cared for in child

care centers. ^{Approximately} Only ~~36%~~^{57%} of children under five have employed mothers. Of those who work, the great majority use relatives or neighbors as child care providers. For women with very young

children who prefer to care for their children themselves, the President's proposals will shift the economics of work and child care in their favor.

MYTH: Only wealthy families can afford for a parent to stay home to care for the children.

FACT: The median income of two parent/two income families in 1986 was \$38,346 compared to \$25,803 for traditional two parent/one-earner families. These families are making significant sacrifices in income to allow one parent to stay home with small children. Eighty-three percent of children in center-based care come from two-earner families. Subsidies to center-based care (such as ABC offers) offer financial assistance to families that are already comparatively better off.

MYTH: Federal day care standards are necessary because day care is a largely unregulated field.

FACT: All states currently regulate day care to some extent. For example, all states mandate that large group day care facilities be licensed and more than half of the states require regulation of small neighborhood providers caring for five or fewer

children. *It is the State and local governments which are best able to determine what standards are needed for*
~~However, federal standards in this area in the past have not worked. Congress, realizing this, prohibited~~
~~Child care. federal implementation of day care standards in 1980.~~

MYTH: Religiously-affiliated day care will benefit from new federal day care program.

FACT: Nearly one-third of day care centers are religiously-affiliated. Direct government assistance (such as through ABC) implies that these facilities must drop religious components of their curriculum to receive assistance. Under current Supreme Court interpretations of the Establishment Clause, these facilities may be wholly ineligible for assistance, just as religious elementary schools are precluded from direct assistance.

MYTH: Unregulated day care is unhealthy and unsafe for children.

FACT: The typical "unregulated" day care provider is a mother caring for her child along with one or two other neighborhood children. In day care centers, the average ratio of staff to a child is five to one. According to an HHS report, The National Daycare Home Study, regulated providers are less likely to be caring for their own children, have a greater number of children to supervise, and charge higher prices than unregulated caregivers.

#

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/28/89 ACTION/CONCURRENCE/COMMENT DUE BY: 4/28/89 6:00 PM

SUBJECT: WHITE HOUSE WIRE ON CHILD CARE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	✓ MCCLURE N/C	☒	☐
SUNUNU	☐	☒	NEWMAN	☐	☐
SCOWCROFT	☐	☐	PORTER	☒	☐
✓ DARMAN	☒	☐	STUDDERT	☐	☐
✓ BATES	☒	☐	UNTERMAYER	☐	☐
BREEDEN	☒	☐	ROGERS	☐	☒
CARD	☐	☒	WINSTON	☐	☒
CICCONI	☐	☒	✓ PINKERTON	☒	☐
DEMAREST	☒	☐		☐	☐
FITZWATER	☐	☒		☐	☐
✓ GRAY no comments	☒	☐		☐	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 6:00 PM, TODAY, Friday, April 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

Holly asked me to FAX a copy to ✓ Ben Cohen at Justice. His comments are enclosed. Holly

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

^{over}
HMP called
me Tuesday &
said that he &
the P.O.'s, will
come up w/ some-
thing more on the
religion issue of
child care &
present it to
Carm. On Monday
morn - Holes.

Fri. 4:45 pm

Chriss!

HELP!

CW-

Sat. 10:00 am

It wasn't a bad as I originally
thought. Pls review this. Where ever
there is a * you need to decide btwn
options. Barbara Selfudge (x6150 Darnen)
is sending info on Monday for a new
paragraph on page 5. Ben Coehn is also
sending more info.

- cm

((Grant/Martin))
April 26, 1989
a:wire428

THE WHITE HOUSE WIRE
ON CHILD CARE

April 28, 1989

ADMINISTRATION'S CHILD CARE PLAN TARGETS LOW-INCOME PARENTS

On March 15, President Bush sent legislation to the Congress, the "Working Family Child Care Assistance Act of 1989," and the "Head Start Amendments of 1989." These bills represent a significant, fiscally responsible step toward meeting the President's commitment to empower parents, especially low-income parents, to make critical decisions about their children's care.

The Working Family Child Care Assistance Act: Low-income families, in which a parent works, would be eligible for a tax credit of up to \$1,000 per child under age four. ^{This child credit} ~~it~~ would be ^{Darman} made refundable and, thus, available to families who have no income tax liability. ^{#1 A Darman Initially} ~~This will make~~ 2.5 million families ^{will be} ~~would be~~ eligible for the credit initially, 3.5 million when the credit is ^{Pink +/or} fully implemented. In addition, the current child care credit would be made refundable as well, qualifying another 1 million families. ^{#1} [Two-parent families in which one parent stays at home to care for the children, single working parents and dual-earner couples with children would all benefit from the credit.] ^{→ #1A} Families would be free to choose the kind of child care that best suits their needs -- care through relatives, neighbors, child care centers or religiously-affiliated care.

#1 A Eligibility for the credit would be phased in, benefiting families with income below \$13,000 in 1990 and families with income below \$20,000 by 1994. Darman

The Head Start Amendments of 1989: FY 1990 authorization for Head Start would be increased by ~~\$250~~⁸⁰ million, ^{for a total request} to pay for the enrollment of up to 95,000 more disadvantaged four-year olds. ^{funding increase of \$250 million over FY 1989.} The proposed expansion would increase the range of choices available to low-income families in meeting their child care needs. ^{In addition, Head Start's Dorman which Dorman} Through ^a comprehensive approach, ^{that} provides educational, medical, nutritional and social services to children at risk of falling behind, ^{The newly participating children would} ~~Head Start gives disadvantaged~~ ^{be given Dorman} children a better start in life.

SECRETARY OF LABOR DOLE TESTIFIES ON THE PRESIDENT'S BILL

On April 19, 1989, Secretary of Labor Elizabeth Dole testified before the Senate Finance Committee in support of the Administration's child care proposal. ^{on April 19, 1989 and before the House Ways and Means Human Resources Committee on April 27, 1989.} The Secretary outlined the guiding principles behind the President's program: ^{who Dorman}

1. More parental choice -- Parents are the best judges of ^{Dorman} quality care and know what is in their children's best interest, ^{- should have the discretion to make decisions about their children's care.}
2. Encourages options -- Federal policy should increase, not decrease, the range of options available to parents. ^{Dorman}
3. Non-discrimination -- ^{child care policy Dorman} ~~The~~ Federal government should not discriminate against those families who sacrifice the income of a second career for one parent to stay at home to care for their children.
4. Targeted to the poorest families -- Assistance should be targeted to low-income families, particularly those with young children.

The Secretary added that at the President's direction, the Department of Labor ^{is} ~~will~~ ^{ing Dorman} study the extent to which market barriers ^{Dorman + Pink} ~~or failures~~ prevent employers from obtaining liability insurance necessary to provide child care at or near their employees' worksites.

TAKE A LOOK AT THE FACTS: ABC BILL IS NOT THE ANSWER FOR PARENTS

The Democratic leadership has proposed the "Act for Better Childcare," with Senator Dodd as its ^{principal Dorman} ~~principle~~ sponsor. This bill, "ABC," does not meet the President's principles for ^{increasing Dorman} ~~improving~~ child care options and ^{embracing Dorman} ~~parental~~ choice:

Parental choice: ABC puts its trust in government, not parents. No money goes directly to parents. All money goes to the States. The States then fund providers, not parents, through grants, contracts, and certificates that they, not parents, ^{or Dorman} ~~and~~ arrange ^{for the most part, Bates} ~~approve~~. It is the States, ^{not parents}, who ultimately make decisions on the care children will receive.

Encourages options: ABC imposes federal ^{day-care Bates} ~~requirements~~ on all providers who receive public assistance, ^{standards Dorman} ~~federal, state, county, city or other local government~~. These costly ^{Bates or assistance day care centers} ~~requirements~~ will put some current child care providers out of business, keep potential providers from offering care, and drive up the cost of care available for all parents. Parents who want ^{Cochran + Pink} ~~to their children to receive religiously-affiliated child care~~ ^{be taught and guided by the religious values that are central to their lives} ~~would not be able to~~ ^{Cochran} ~~could not receive aid under ABC~~ ^{ASSISTANCE Dorman} ~~this includes all caretakers, including relatives.~~ ^{Bates} ~~Says drop last line, but Dorman says:~~

Assistance under ABC: All caretakers -- including relatives -- are prohibited from engaging in sectarian activities, worshipping or just instruction in, providing services under ABC.

Call Ciccone

In fact, parents could not use their ABC eligibility to have anyone other than a grandparent, aunt or uncle care for their children ^{Dorman} ~~in the children's own home~~ unless (1) the State rules in each individual case that the person was an "eligible child care provider," (2) the person and his/her home meets Federal standards, and (3) the person submits to governmental grant, contract and paperwork requirements.

Non-discrimination: ABC serves two parent families only if both parents are employed, perpetuating the discrimination against two parent families in which one parent stays at home to care for the children.

Targeted to families most in need: ABC is not ^{well-Dorman} targeted and would serve only a fraction of families most in need. ^{ABC in its first year would} Families with incomes ^{as high as Dorman} ~~more than~~ 4 times the poverty level are eligible for ABC, ^{Dorman} yet ^(millions) only a small number of eligible children ^{actually} would receive care -- ^{under 4%} 6 percent ^{in 1990} according to the sponsors' estimates. ^{and there is a guarantee that they would be from families most in need. Dorman} Only one million children, ^{Dorman} ~~according to the sponsors~~ ^{say would Dorman} would receive child care services from the States ^{Dorman} far less than the number of children in the 3.5 million families that would initially benefit from the President's tax credit proposals.

MYTHS AND FACTS ABOUT CHILD CARE TODAY

MYTH: Most children are being cared for in day care centers.

FACT: ^{14% Bates} Less than ~~10%~~ of children under 5 are cared for in child care centers. ^{Approximately 57% Bates} ~~Only 46%~~ of children under five have employed ^{mothers are employed, Dorman} mothers. Of ~~those who work~~, the great majority use relatives or neighbors as child care providers. For women with ^{parents} ~~very young~~ ^{Dorman}

Call all this

Creoni

OMB No # 45

serve only 1 out of 18 children eligible for assistance

children who prefer to care for their children themselves, the

President's proposals will shift the economics of work and child

care in their favor. *The President's proposals discriminates neither against day care centers or mothers caring for children at home.*

MYTH: Only wealthy families can afford ~~for~~ ^{having} a parent to stay home to care for the children.

FACT: The median income of two-parent/two-income families in 1986 was \$38,346 compared to \$25,803 for traditional two-parent/one-earner families. These families are making significant sacrifices in income to allow one parent to stay home with small children. Eighty-three percent of children in center-based care come from two-earner families. Subsidies to center-based care (such as ABC offers) offer financial assistance to families that are already comparatively better off.

MYTH: Federal day care standards are necessary because day care is ~~a~~ ^{largely} unregulated field.

FACT: All states currently regulate day care. *Every state licenses child care centers and all but three regulate some or all family day care homes.* ~~For example, all states mandate that large group day care facilities be licensed and more than half of the states require regulation~~

~~of small neighborhood providers caring for five or fewer children. However, federal standards in this area in the past have not worked. Congress, realizing this, prohibited implementation of day care standards in 1980.~~ *It is the State and local governments which are best able to determine what standards are needed for child care. Bates* *Federal standards, proposed in the past, will not work. Congress, realizing this, prohibited implementation of federal standards in 1980.*

MYTH: Religiously-affiliated day care will benefit from new federal day care program.

Pink agrees it needs a rewrite.

As many as

FACT: ~~Nearly one-third of day care centers are religiously-~~
~~affiliated. Direct government assistance (such as through ABC)~~
~~implies that these facilities must drop religious components of~~
~~their curriculum to receive assistance. Under current Supreme~~
~~Court interpretations of the Establishment Clause, these~~
~~facilities may be wholly ineligible for assistance, just as~~
~~religious elementary schools are precluded from direct~~
~~assistance.~~

MYTH: Unregulated ~~day~~ care is unhealthy and unsafe for children.

FACT: The typical "unregulated" day care provider is a mother
caring for ~~her child along with~~ [one or two other neighborhood
children.] In day care centers, the average ratio of staff to a
child is five to one. According to an HHS report, The National
Daycare Home Study, ~~unregulated providers are less likely to be~~
~~stimulating... it caters successfully to the develop~~ mentally appropriate
~~caregiving for their own children, have a greater number of children~~
~~needs of children in care; parents who use family day care report it~~
~~to supervise, and charge higher prices than unregulated~~
~~satisfactorily meets their child care needs... observers were~~
~~caregivers.~~ consistently impressed by the care they saw regardless of
regulatory status.

Darman
Sweeney x7362
#

April 28, 1989

MEMORANDUM FOR CHRISS WINSTON

FROM; DENISE SCHWARZ
OFFICE OF CABINET AFFAIRS

SUBJECT; WHITE HOUSE WIRE ON CHILD CARE

LOG # 031439SS

We have reviewed the attached and have incorporated our comments.

Attachment

cc: Jim Cicconi

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/28/89 ACTION/CONCURRENCE/COMMENT DUE BY: 4/28/89 6:00 PM

SUBJECT: WHITE HOUSE WIRE ON CHILD CARE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☒	NEWMAN	☐	☐
SCOWCROFT	☐	☐	PORTER	☒	☐
DARMAN	☒	☐	STUDDERT	☐	☐
BATES	☒	☐	UNTERMAYER	☐	☐
BREEDEN	☒	☐	ROGERS	☐	☒
CARD	☐	☒	WINSTON	☐	☒
CICCONI	☐	☒	PINKERTON	☒	☐
DEMAREST	☒	☐		☐	☐
FITZWATER	☐	☒		☐	☐
GRAY	☒	☐		☐	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 6:00 PM, TODAY, Friday, April 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

— Jack Phelan 245-1753
— John Heubosch (Labor) 523-9073

((Grant/Martin))
April 26, 1989
a:wire428

THE WHITE HOUSE WIRE
ON CHILD CARE

April 28, 1989

ADMINISTRATION'S CHILD CARE PLAN TARGETS LOW-INCOME PARENTS

On March 15, President Bush sent legislation to the Congress, the "Working Family Child Care Assistance Act of 1989," and the "Head Start Amendments of 1989." These bills represent a significant, fiscally responsible step toward meeting the President's commitment to empower parents, especially low-income parents, to make critical decisions about their children's care.

The Working Family Child Care Assistance Act: Low-income families, in which a parent works, would be eligible for a tax credit of up to \$1,000 per child under age four. It would be made refundable; and, thus, available to families who have no income tax liability. This will make 2.5 million families eligible for the credit initially, 3.5 million when the credit is fully implemented. In addition, the current child care credit would be made refundable as well, qualifying another 1 million families. Two-parent families in which one parent stays at home to care for the children, single working parents and dual-earner couples with children would all benefit from the credit. Families would be free to choose the kind of child care that best suits their needs -- care through relatives, neighbors, child care centers or religiously-affiliated care.

The Head Start Amendments of 1989: FY 1990 authorization for Head Start would be increased by \$250 million, to pay for the enrollment of up to 95,000 more disadvantaged four-year olds. The proposed expansion would increase the range of choices available to low-income families in meeting their child care needs. Through a comprehensive approach that provides educational, medical, nutritional and social services to children at risk of falling behind, Head Start gives disadvantaged children a better start in life.

SECRETARY OF LABOR DOLE TESTIFIES ON THE PRESIDENT'S BILL

On April 19, 1989, Secretary of Labor Elizabeth Dole testified before the Senate Finance Committee in support of the Administration's child care proposal. The Secretary outlined the guiding principles behind the President's program:

1. More parental choice -- Parents are the best judge of quality care and know what is in their childrens' best interest.
2. Encourages options -- Federal policy should increase, not decrease, the range of options available to parents.
3. Non-discrimination -- The Federal government should not discriminate against those families who sacrifice the income of a second career for one parent to stay at home to care for their children.
4. Targeted to the poorest families -- Assistance should be targeted to low-income families, particularly those with young children.

The Secretary added that, at the President's direction, the Department of Labor will study the extent to which market barriers or failures prevent employers from obtaining liability insurance necessary to provide child care at or near their employees' worksites.

TAKE A LOOK AT THE FACTS: ABC BILL IS NOT THE ANSWER FOR PARENTS

The Democratic leadership has proposed the "Act for Better Childcare," with Senator Dodd as its principle sponsor. This bill, "ABC," does not meet the President's principles for improving child care options and parental choice:

Parental choice: ABC puts its trust in government, not parents. No money goes directly to parents. All money goes to the States. The States then fund providers, not parents, through grants, contracts, and certificates that they, not parents, arrange and approve. It is the States, ^{for the most part,} not parents, who ultimately make decisions on the care children will receive.

Encourages options: ABC imposes federal ^{day-care} requirements on all providers who receive public assistance. ~~the federal, state, county, city or other local government.~~ These costly requirements will put some current child care providers out of business, keep potential providers from offering care, and drive up the cost of care available for all parents. Parents who want ~~to~~ their children to receive religiously-affiliated child care could not receive aid under ABC. ~~this includes all caretakers, including relatives.~~

In fact, parents could not use their ABC eligibility to have anyone other than a grandparent, aunt or uncle care for their children in the children's own home -- unless (1) the State rules in each individual case that the person was an "eligible child care provider," (2) the person and his/her home meets Federal standards, and (3) the person submits to governmental grant, contract and paperwork requirements.

Non-discrimination: ABC serves two parent families only if both parents are employed, perpetuating the discrimination against two parent families in which one parent stays at home to care for the children.

Targeted to families most in need: ABC is not targeted and would serve only a fraction of families most in need. Families with incomes more than 4 times the poverty level are eligible for ABC, yet only a small number of eligible children would receive care -- 6 percent according to the sponsors' estimates. Only one million children, according to the sponsors' would receive child care services from the States -- far less than the number of children in the 3.5 million families that would initially benefit from the President's tax credit proposals.

MYTHS AND FACTS ABOUT CHILD CARE TODAY

MYTH: Most children are being cared for in day care centers.

FACT: Less than ^{14%} ~~10%~~ of children under 5 are cared for in child care centers. ^{Approximately} ~~Only 36%~~ ^{57%} of children under five have employed mothers. Of those who work, the great majority use relatives or neighbors as child care providers. For women with very young

1988 Labor Case Child Task Force Study Women's Bureau DOL = OMB approved

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/28/89 ACTION/CONCURRENCE/COMMENT DUE BY: 4/28/89 6:00 PM

SUBJECT: WHITE HOUSE WIRE ON CHILD CARE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☒	NEWMAN	☐	☐
SCOWCROFT	☐	☐	PORTER	☒	☐
DARMAN	☒	☐	STUDDERT	☐	☐
BATES	☒	☐	UNTERMEYER	☐	☐
BREEDEN	☒	☐	ROGERS	☐	☒
CARD	☐	☒	WINSTON	☒	☒
CICCONI	☐	☒	PINKERTON	☒	☐
DEMAREST	☒	☐		☐	☐
FITZWATER	☐	☒		☐	☐
GRAY	☒	☐		☐	☐
HAGIN	☐	☐		☐	☐

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 6:00 PM, TODAY, Friday, April 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

*Answer:
Discuss
Hans
Further*

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

((Grant/Martin))
April 26, 1989
a:wire428

100 APR 26 1989

THE WHITE HOUSE WIRE
ON CHILD CARE

April 28, 1989

ADMINISTRATION'S CHILD CARE PLAN TARGETS LOW-INCOME PARENTS

On March 15, President Bush sent legislation to the Congress, the "Working Family Child Care Assistance Act of 1989," and the "Head Start Amendments of 1989." These bills represent a significant, fiscally responsible step toward meeting the President's commitment to empower parents, especially low-income parents, to make critical decisions about their children's care.

The Working Family Child Care Assistance Act: Low-income families, in which a parent works, would be eligible for a tax credit of up to \$1,000 per child under age four. It would be made refundable; and, thus, available to families who have no income tax liability. ^{prior to this but the ~~existing~~ credit as a whole = 2.5 m.} [This will make] 2.5 million families ^{will be} eligible for the credit initially, 3.5 million when the credit is fully implemented. In addition, the current child care credit would be made refundable as well, qualifying another 1 million families. Two-parent families in which one parent stays at home to care for the children, single working parents and dual-earner couples with children would all benefit from the credit. Families would be free to choose the kind of child care that best suits their needs -- care through relatives, neighbors, child care centers or religiously-affiliated care.

the existing credit will be "made" refundable.

This new doesn't exist

The Head Start Amendments of 1989: FY 1990 authorization for Head Start would be increased by \$250 million, to pay for the enrollment of up to 95,000 more disadvantaged four-year olds. The proposed expansion would increase the range of choices available to low-income families in meeting their child care needs. Through a comprehensive approach that provides educational, medical, nutritional and social services to children at risk of falling behind, Head Start gives disadvantaged children a better start in life.

SECRETARY OF LABOR DOLE TESTIFIES ON THE PRESIDENT'S BILL

On April 19, 1989, Secretary of Labor Elizabeth Dole testified before the Senate Finance Committee in support of the Administration's child care proposal. The Secretary outlined the guiding principles behind the President's program:

1. **More parental choice** -- Parents are the best judge of quality care and know what is in their childrens' best interest.
2. **Encourages options** -- Federal policy should increase, not decrease, the range of options available to parents.
3. **Non-discrimination** -- The Federal government should not discriminate against those families who sacrifice the income of a second career for one parent to stay at home to care for their children.
4. **Targeted to the poorest families** -- Assistance should be targeted to low-income families, particularly those with young children.

got to go

The Secretary added that at the President's direction, the Department of Labor will study the extent to which market barriers or failures prevent employers from obtaining liability insurance necessary to provide child care at or near their employees' worksites. *only factor?*

TAKE A LOOK AT THE FACTS: ABC BILL IS NOT THE ANSWER FOR PARENTS

The Democratic leadership has proposed the "Act for Better Childcare," with Senator Dodd as its principle sponsor. This bill, "ABC," does not meet the President's principles for improving child care options and parental choice:

Parental choice: ABC puts its trust in government, not parents. No money goes directly to parents. All money goes to the States. The States then fund providers, not parents, through grants, contracts, and certificates that they, not parents, arrange and approve. It is the States, not parents, who ultimately make decisions on the care children will receive.

Encourages options: ABC imposes federal requirements on all providers who receive public assistance -- *day care centers,* federal, state, *or family day care providers* county, city or other local government. These costly requirements will put some current child care providers out of business, keep potential providers from offering care, and drive up the cost of care available for all parents. Parents who want to their children to receive religiously-affiliated child care could not receive aid under ABC -- this includes all caretakers, including relatives.

In fact, parents could not use their ABC eligibility to have anyone other than a grandparent, aunt or uncle care for their children in the children's own home -- unless (1) the State rules in each individual case that the person was an "eligible child care provider," (2) the person and his/her home meets Federal standards, and (3) the person submits to governmental grant, contract and paperwork requirements.

Non-discrimination: ABC serves two parent families only if both parents are employed, perpetuating the discrimination against two parent families in which one parent stays at home to care for the children.

Targeted to families most in need: ABC is not targeted and would serve only a fraction of families most in need. ^{ABC in its first year would serve only 1 out of 18} Families ^{children eligible for assistance} with incomes more than 4 times the poverty level are eligible for ABC, yet only a small number of eligible children would receive care -- 6 percent according to the sponsors' estimates. Only one million children, according to the sponsors' would receive child care services from the States -- far less than the number of children in the 3.5 million families that would initially benefit from the President's tax credit proposals.

MYTHS AND FACTS ABOUT CHILD CARE TODAY

MYTH: Most children are being cared for in day care centers.

FACT: Less than 10% of children under 5 are cared for in child care centers. Only 46% of children under five have employed mothers. Of those who work, the great majority use relatives or neighbors as child care providers. For women with very young

5

children who prefer to care for their children themselves, the President's proposals will shift the economics of work and child care in their favor. *The President's proposals discriminates neither against day care centers or mothers caring for children at home.*

MYTH: Only wealthy families can afford for a parent to stay home to care for the children.

FACT: The median income of two parent/two income families in 1986 was \$38,346 compared to \$25,803 for traditional two parent/one-earner families. These families are making significant sacrifices in income to allow one parent to stay home with small children. Eighty-three percent of children in center-based care come from two-earner families. Subsidies to center-based care (such as ABC offers) offer financial assistance to families that are already comparatively better off.

MYTH: Federal day care standards are necessary because day care is a largely unregulated field.

FACT: All states currently regulate day care to some extent. For example, all states mandate that large group day care facilities be licensed and more than half of the states require regulation of small neighborhood providers caring for five or fewer children. However, federal standards in this area in the past have not worked. Congress, realizing this, prohibited implementation of day care standards in 1980. *weak*

MYTH: Religiously-affiliated day care will benefit from new federal day care program.

FACT: Nearly one-third of day care centers are religiously-affiliated. Direct government assistance (such as through ABC) implies that these facilities must drop religious components of their curriculum to receive assistance. Under current Supreme Court interpretations of the Establishment Clause, these facilities may be wholly ineligible for assistance, just as religious elementary schools are precluded from direct assistance.

MYTH: Unregulated day care is unhealthy and unsafe for children.

FACT: The typical "unregulated" day care provider is a mother caring for her child along with one or two other neighborhood children. In day care centers, the average ratio of staff to a child is five to one. According to an HHS report, The National Daycare Home Study, regulated providers are less likely to be caring for their own children, have a greater number of children to supervise, and charge higher prices than unregulated caregivers.

#

Church/state issues

The President's approach does not fall into the thicket of Establishment Clause issues raised by ABC. The Establishment Clause of the Constitution prohibits laws that advance religion.

- o Over one-third of child care centers are religiously affiliated.
- o ABC would prohibit funds from reaching these centers unless they abandon all religious content to their programs.
 - Singing of religious songs like "Jesus Loves Me" would be prohibited.
 - Scripture readings would not be allowed.
 - Prayers could not be said before meals.
 - Religious holidays like Easter and Passover could not be celebrated.
- o Aid to religiously affiliated centers would be open to significant litigation risks, covering such issues as the display of religious pictures or symbols and even the eligibility of religiously-affiliated centers to receive funds, no matter how non-sectarian their programs.
- o In addition, the assistance provided through ABC would bring the entire church or synagogue within scope of Federal civil rights laws.

Holm -
A church/state
contribution for the piece
on child care. DOJ
and I crafted this.
no one else has
reviewed.
Hans.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/28/89 ACTION/CONCURRENCE/COMMENT DUE BY: 4/28/89 6:00 PM

SUBJECT: WHITE HOUSE WIRE ON CHILD CARE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	~~MCCLURE~~	☒	☐
SUNUNU	☐	☒	NEWMAN	☐	☐
SCOWCROFT	☐	☐	PORTER	☒	☐
DARMAN	☒	☐	STUDDERT	☐	☐
BATES	☒	☐	UNTERMAYER	☐	☐
BREEDEN	☒	☐	<u>ROGERS</u>	☐	☒
CARD	☐	☒	<u>WINSTON</u>	☐	☒
CICCONI	☐	☒	<u>PINKERTON</u>	☒	☐
DEMAREST	☒	☐	_____	☐	☐
FITZWATER	☐	☒	_____	☐	☐
GRAY	☒	☐	_____	☐	☐
HAGIN	☐	☐	_____	☐	☐

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 6:00 PM, TODAY, Friday, April 28, 1989, with an info copy to my office. Thank you.

RESPONSE:

OK

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702



May 1, 1989

To: Holly Williamson

From: Barbara Selfridge *BS*

Subj: Information for White House Wire on Child Care

Holly, below is suggested text for the Fact-Myth section of the Wire that deals with two parent families who have one parent stay at home with the children.

MYTH: Only wealthy married couples have one parent stay at home to care for their children.

FACT: (In more than half of all married-couple families with children whose income was less than \$20,000 in 1986, the mother stayed at home to care for the children. In contrast, mothers stayed at home to care for the children in less than one-third of all married-couples with children and incomes over \$20,000.)
Eighty-three percent of children in center-based care come from two-earner families. Subsidies oriented to center-based care (such as ABC's) offer financial assistance to families that already are comparatively better off.

((Grant/Martin))
April 26, 1989
a:wire428

THE WHITE HOUSE WIRE
ON CHILD CARE

April 28, 1989

ADMINISTRATION'S CHILD CARE PLAN TARGETS LOW-INCOME PARENTS

On March 15, President Bush sent legislation to the Congress, the "Working Family Child Care Assistance Act of 1989," and the "Head Start Amendments of 1989." These bills represent a significant, fiscally responsible step toward meeting the President's commitment to empower parents, especially low-income parents, to make critical decisions about their children's care.

The Working Family Child Care Assistance Act: Low-income families, in which a parent works, would be eligible for a tax credit of up to \$1,000 per child under age four. It would be made refundable; and, thus, available to families who have no income tax liability. This will make 2.5 million families eligible for the credit initially, 3.5 million when the credit is fully implemented. In addition, the current child care credit would be made refundable as well, qualifying another 1 million families. Two-parent families in which one parent stays at home to care for the children, single working parents and dual-earner couples with children would all benefit from the credit. Families would be free to choose the kind of child care that best suits their needs -- care through relatives, neighbors, child care centers or religiously-affiliated care.

The Head Start Amendments of 1989: FY 1990 authorization for Head Start would be increased by \$250 million, to pay for the enrollment of up to 95,000 more disadvantaged four-year olds. The proposed expansion would increase the range of choices available to low-income families in meeting their child care needs. Through a comprehensive approach that provides educational, medical, nutritional and social services to children at risk of falling behind, Head Start gives disadvantaged children a better start in life.

SECRETARY OF LABOR DOLE TESTIFIES ON THE PRESIDENT'S BILL

On April 19, 1989, Secretary of Labor Elizabeth Dole testified before the Senate Finance Committee in support of the Administration's child care proposal. The Secretary outlined the guiding principles behind the President's program:

1. **More parental choice** -- Parents are the best judge of quality care and know what is in their childrens' best interest.
2. **Encourages options** -- Federal policy should increase, not decrease, the range of options available to parents.
3. **Non-discrimination** -- The Federal government should not discriminate against those families who sacrifice the income of a second career for one parent to stay at home to care for their children.
4. **Targeted to the poorest families** -- Assistance should be targeted to low-income families, particularly those with young children.

The Secretary added that at the President's direction, the Department of Labor will study the extent to which market barriers or failures prevent employers from obtaining liability insurance necessary to provide child care at or near their employees' worksites.

TAKE A LOOK AT THE FACTS: ABC BILL IS NOT THE ANSWER FOR PARENTS

The Democratic leadership has proposed the "Act for Better Childcare," with Senator Dodd as its principle sponsor. This bill, "ABC," does not meet the President's principles for improving child care options and parental choice:

Parental choice: ABC puts its trust in government, not parents. No money goes directly to parents. All money goes to the States. The States then fund providers, not parents, through grants, contracts, and certificates that they, not parents, arrange and approve. It is the States, not parents, who ultimately make decisions on the care children will receive.

Encourages options: ABC imposes federal requirements on all providers who receive public assistance -- federal, state, county, city or other local government. These costly requirements will put some current child care providers out of business, keep potential providers from offering care, and drive up the cost of care available for all parents. Parents who want ~~to~~ their children to receive religiously-affiliated child care ~~could not~~ *would not be able to* receive aid under ABC -- this includes all caretakers, including relatives.

In fact, parents could not use their ABC eligibility to have anyone other than a grandparent, aunt or uncle care for their children in the children's own home -- unless (1) the State rules in each individual case that the person was an "eligible child care provider," (2) the person and his/her home meets Federal standards, and (3) the person submits to governmental grant, contract and paperwork requirements.

Non-discrimination: ABC serves two parent families only if both parents are employed, perpetuating the discrimination against two parent families in which one parent stays at home to care for the children.

Targeted to families most in need: ABC is not targeted and would serve only a fraction of families most in need. Families with incomes more than 4 times the poverty level are eligible for ABC, yet only a small number of eligible children would receive care -- 6 percent according to the sponsors' estimates. Only one million children, according to the sponsors' would receive child care services from the States -- far less than the number of children in the 3.5 million families that would initially benefit from the President's tax credit proposals.

MYTHS AND FACTS ABOUT CHILD CARE TODAY

MYTH: Most children are being cared for in day care centers.

FACT: Less than 10% of children under 5 are cared for in child care centers. Only 46% of children under five have employed mothers. Of those who work, the great majority use relatives or neighbors as child care providers. For women with very young

children who prefer to care for their children themselves, the President's proposals will shift the economics of work and child care in their favor.

MYTH: Only wealthy families can afford for a parent to stay home to care for the children.

FACT: The median income of two parent/two income families in 1986 was \$38,346 compared to \$25,803 for traditional two parent/one-earner families. These families are making significant sacrifices in income to allow one parent to stay home with small children. Eighty-three percent of children in center-based care come from two-earner families. Subsidies to center-based care (such as ABC offers) offer financial assistance to families that are already comparatively better off.

MYTH: Federal day care standards are necessary because day care is a largely unregulated field.

FACT: All states currently regulate day care to some extent. For example, all states mandate that large group day care facilities be licensed and more than half of the states require regulation of small neighborhood providers caring for five or fewer children. However, federal standards in this area in the past have not worked. Congress, realizing this, prohibited implementation of day care standards in 1980.

MYTH: Religiously-affiliated day care will benefit from new federal day care program.

FACT: Nearly one-third of day care centers are religiously-affiliated. ^{Under current Supreme Court decisions on this subject,} Direct government assistance (such as through ABC) ^{might require} implies that these facilities ~~must~~ drop religious components of their curriculum to receive assistance. ^{These cases,} Under ~~current Supreme Court interpretations of the Establishment Clause,~~ these facilities may be wholly ineligible for assistance, just as ^{many} religious elementary schools are ^{now} precluded ^{by the Court} from ^{financial} direct ^{receiving} assistance.

MYTH: Unregulated day care is unhealthy and unsafe for children.

FACT: The typical "unregulated" day care provider is a mother caring for her child along with one or two other neighborhood children. In day care centers, the average ratio of staff to a child is five to one. According to an HHS report, The National Daycare Home Study, regulated providers are less likely to be caring for their own children, have a greater number of children to supervise, and charge higher prices than unregulated caregivers.

#