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Summary of Dodd Child Care Bill

Total investment of approximately $30 billion over 5 years.

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.

Increasing the Availability and Quality 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 to encourage schools to create before and after-school programs.

- Allow schools to use the National School Lunch Program to provide nutritious meals or snacks to children in afterschool programs.

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Expanding the Dependent Care Tax Credit (estimated cost $8 billion/5 years)

- 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 (estimated cost $5 billion/5 years)

- 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 could 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.
- 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.