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JK-

Here's the
Byrne handbook.
I've included a
critique memo ~~and~~ that
may have
some ideas.
Tom

1997

WHITE HOUSE

**CONSUMER'S HANDBOOK
ON
CHILD CARE**

United States
Office of Consumer Affairs
Washington, D.C.

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WHAT'S IN THIS HANDBOOK

The information in this *Child Care Consumer's Resource Handbook* is presented in two parts: (1) tips for shopping for child care services and (2) contacts for information and assistance.

Part I of the *Handbook*, "Value for Your Child Care Dollar," gives tips on getting the most for your money when seeking good affordable child care. Finding the best way to voice your concerns and how to work in partnership with your child care provider. Part I also provides techniques and things to look for when choosing a child care provider.

Part II of the *Handbook*, "Child Care Assistance Directory," lists offices you can contact for help with problems or questions. This section provides individual names (where available), addresses and telephone and fax numbers for contacts ranging from child care organizations, to corporate, to government agencies at city, county, state and Federal levels. Some of these child care assistance groups are highlighted below; for a complete list of agencies in Part II see the "Contents." We have also included a state-by-state comparison of laws and regulations covering child care services.

Throughout the sections, a number of electronic addresses are listed for access through the worldwide web. The websites listed here omit <http://> and begin with [www](http://) (in the interest of space). Listed also are telephone numbers that provide access for hearing and speech impaired consumers; they are in bold type. A subject "Index" is at the end of the Handbook to help you locate information about specific topics.

OTHER SOURCES OF INFORMATION AND ASSISTANCE

NATIONAL CHILD CARE ORGANIZATIONS

There are many national organizations whose missions are consumer assistance, child care advocacy, protection of children, and/or child development. Several of these organizations will assist consumers directly. Others are interested in hearing about general problems and concerns. Most, though not all, develop educational materials for consumers. Addresses, telephone numbers and descriptions of these organizations are listed in the "National Consumer Organizations" section of this Handbook, beginning on page ____.

CORPORATE CONSUMER CONTACTS

Some companies offer on-site child care facilities. Several corporations own child care businesses. Contacts listed can help answer questions and in some limited cases resolve complaints.

State, County and City Government Consumer and Child Care Offices

State and local child care and consumer protection offices can help you resolve consumer complaints and provide you with information. These agencies might mediate complaints, conduct investigations, prosecute offenders of child care and consumer laws, license and regulate professions, provide educational materials and advocate in the consumer interest. It is important to report complaints and questions to these governmental agencies. Consumer complaints form the basis of most child care and consumer protection law enforcement actions.

STATE AGENCIES AND COMMISSIONS

In addition to state and local agencies, many states have special agencies and commissions to handle child care issues. These commissions and agencies are listed separately beginning on page ____.

In addition, a variety of other helpful community services might be

available in your area. For example, county and state Cooperative Extension Services offer information about health, safety and nutritional needs. Information about these and other state and local services can be found at your library and in the telephone directory in the city/municipal, county or state government listings.

Military Family Support

Interested consumers will find a list of military support offices on page _____. The list includes the regional offices and headquarters for all the Armed Forces family support services.

SELECTED FEDERAL AGENCIES

Many Federal Government agencies can help you with consumer question and complaints. Several of these agencies have enforcement authority and/or complaint handling responsibilities. The Federal agencies listed, beginning on page _____, respond to consumer complaints and inquires.

CHILD CARE AND CONSUMER GROUPS

Private and voluntary organizations usually are created to advocate specific consumer or children issues. In some communities, these groups will help with complaints. However, they have no enforcement authority. To find out if such a group is active in your community, contact your state or local government consumer protection office. A list of the state and local offices begins on page _____.

FEDERAL INFORMATION CENTER

The Federal Information Center (FIC), administered by the General Services Administration, can help you find information about the Federal Government's agencies, services and programs. The FIC can also tell you which office to contact for help with problems.

You may call toll-free from anywhere in the United States to 800-688-9889. Users of text telephones (TDD/TTY) may also call toll-free by dialing 800-326-2996.

CONSUMER INFORMATION CATALOG

The *Consumer Information Catalog* lists approximately 200 free or lowcost publications with helpful information for the public. Topics include child care, education, Federal benefits, financial planning, food and nutrition, health, housing, small business and more. This free *Catalog* is published quarterly by the Consumer Information Center of the General Services Administration. Single copies of the *Catalog* only may be ordered by sending your name and address to Catalog, Consumer Information Center, Pueblo, CO 81009 or by calling 719-948-4000. Non-profit groups that can distribute 25 copies or more each quarter automatically can receive copies by writing for a bulk mail card.

You may visit their website at www.pueblo.gsa.gov or dial the bulletin board system on 202-208-7679.

LIBRARIES

The local library can be a good source of help. Many publications mentioned in this *Handbook* can be found in public libraries. Some university and other private libraries also allow individuals to use their reference materials. Check your local telephone directory for the location of a nearby library.

MEDIA PROGRAMS

Local newspapers, radio and television stations often have "Action Line" or "Hot Line" services. These programs can help consumers with their problems. Sometimes these programs, because of their influence in the community, are successful in helping to resolve consumer complaints. Some action lines select only the most severe problems or those that occur most frequently. They might not be able to handle every complaint.

To find these services, check with your local newspapers, radio and television stations, or local library.

OCCUPATIONAL AND PROFESSIONAL LICENSING BOARDS

Most state or local agencies register members of various professions including child care providers. In some states, local consumer agencies license or register some professions.

Besides setting licensing standards, these boards also issue rules and regulations; prepare and give examinations; issue, deny or revoke licenses; bring disciplinary action; and handle consumer complaints.

Many of these boards have referral services or consumer education materials to help you select a professional. If you contact a licensing agency about a complaint, the agency will contact the professional on your behalf and, if necessary, might conduct an investigation and take disciplinary action against the professional. This action can include probation, license suspension or revocation.

To find the local office of an occupational or professional licensing board, check your local telephone directory under the headings of "Licensing Boards" or "Professional Associations," or look for the name of the individual agency. If you need help locating the right office, contact your state or local consumer office or elected representative.

PART I

VALUE FOR YOUR CHILD CARE DOLLAR

PROTECTING YOUR CHILD, PROTECTING YOURSELF

"Nothing can be more stressful or difficult than finding the right child care provider for your child." " Nothing can be more rewarding for you and your child than finding a safe, enriching, affordable day-care environment." Between these two statements, parents or guardians usually will find the truth of day care.

Out of all the products and services you will buy, the value of your child care dollar and what it will purchase is extremely important to your family's well-being. The pressure parents and guardians feel in finding a care giver is great. Yet some parents spend less time on researching child care than buying a car. Many parents do not know where to look or whom to call for help they need. The purpose of this *Handbook* is to give you more knowledge and more choices to find the best child care for your family.

There are components to child care, just as there are to any purchase. The three most mentioned things parents look for are safety, enrichment for the child, and price or value. Also mentioned are convenience to home or work, rapport with care giver, cultural similarities, and language as factors to child care decisions.

Whatever the child care setting you choose safety will be your paramount concern, just as it is at home. The following tips will help you make your decision:

Tips for Child Care Safety

- ! Smoke detectors and fire extinguishers are working and accessible.
- ! Electrical outlets are covered with protective caps.
- ! Window blind and curtain cords are out of reach.
- ! Exits are clear of obstructions.
- ! Adults and children wash their hands before preparing food,

(Safety Tips cont.)

before and after meals and after diapering or using the toilet.

- ! Diapering is done in separate space, away from play or food.
- ! Dangerous items, such as cleaning supplies or breakables, are stored in original, labeled containers and either locked away or otherwise kept out of reach.
- ! Perishable foods are kept refrigerated. Other foods that could pose a choking hazard to toddlers and babies are kept out of reach.
- ! Baby toys are age appropriate and cleaned daily with child-safe disinfectant.
- ! Play equipment has no sharp edges or loose pieces and is in good working order.

Emergency plans:

If you chose a family day-care home that has only one adult, there must be a backup plan in case the provider gets sick or a child needs emergency attention. Also check training for first aid, CPR and Heimlich maneuver. This should be part of your evaluation.

Nutrition:

If your day care provider serves meals, make sure they are appropriate for young children and appetising. Meals and snacks should include fruits and vegetables and be well balanced.

Your child care partnership should not end once you have made your choice. Make periodic checks to see that the standards on which you based your decision continue to apply.

FINDING THE BEST CARE GIVER FOR YOUR CHILD

Cc: EK, CR, DF,
Tam, + return

Background Information Child Care Proposal

A high-quality child care program is one that makes the healthy development and education of children its first objective and strives to stimulate the learning process of all children through developmentally appropriate activities that foster social, emotional, and intellectual growth.

Research has clearly demonstrated that no single factor ensures the quality of a child care program, but rather a combination of factors. This proposal incorporates current research into a multi-level approach for improving the quality of child care.

In the proposal, the terms credential and accreditation are used to refer to formal credentialing and accreditation processes by a private non-profit or public entity that is state recognized (minimum requirements: age-appropriate health and safety standards, age-appropriate developmental and educational activities as an integral part of the program, outside monitoring of the program/individual, accreditation/credentialing instruments based on peer-validated research, programs/facilities meet any applicable state and local licensing requirements, and on-going staff development/training). There are several organizations that currently provide accreditation and/or credentialing for early childhood development programs and professionals.

There is no question that higher quality child care is more expensive than custodial care. Therefore, most of these proposals will entail an increased expenditure of funds. When possible, potential budget offsets have been identified.

Provisions to Encourage Parents to Place their Children in High Quality Care

1. Dependent Care Tax Credit-

- Increase either the percentage of allowable child care expenses (current law - 20% to 30%) or the total amount of the eligible child care expenses (current law - \$2,400 for 1 child; \$4,800 for 2 or more) when the parent places a child in an accredited child care center or with a credentialed child care professional
- AND
- Make the Dependent Care Tax Credit refundable for working families eligible for the ETIC

costs for this option: no budget impact if the Dependent Care Tax Credit is limited to families with adjusted gross incomes under \$90,000 per year and a balance is reached regarding lowering the percentage of allowable child care

expenses for non-accredited/non-credentialed care balanced with an equal but opposite raise in the percentage for a accredited/credentialed care.

2. Dependent Care Assistance Plans (part of Flexible Spending Accounts authorized in the Economic Recovery Tax Act of 1981) -

- Increase the amount which parents can contribute to a Dependent Care Assistance Plan when the parent places a child in an accredited child care center or with a credentialed child care professional
- Include a provision which requires federal agencies (including legislative, executive branch, and judicial) to offer Dependent Care Assistance Plans to federal employees.
- Permit working mothers who contribute to Dependent Care Assistance Plans to use the funds to pay themselves to stay home with their child--(best example, working woman finds out she is pregnant, signs up for the Dependent Care Assistance Plan, between the time she signs up and the time she gives birth she accumulates \$4,000 in her account; upon the birth of her child, she stays home from work on maternity leave and draws down \$1,000 per month for the next 4 months to help offset her loss of income for the time she stays home - advantage: the \$4,000 she used is untaxed resulting in a tax liability savings).

AND

- Increase the maximum amount that can be placed in a Dependent Care Assistance Plan when dependent care is being provided for 2 or more persons.

Much of the cost can be offset by lowering the amount which parents can contribute for everyone, except those placing children in accredited/credentialed care

5. Require states to include the costs of child care into calculations of child support obligations for custodial parents who work or are actively seeking employment with a differential rate for parents placing their children into accredited child care centers or with a credentialed professional.

No cost to federal, state, or local government

Provisions to Encourage Child Care Providers to Offer Higher Quality Care

1. Extend Perkins Loan forgiveness to individuals who accept employment in the child care field as a credentialed child care professional.

Miminal cost, no estimate available

2. Provide a tax exclusion or credit for businesses who provide educational assistance to child care providers which leads to accreditation or credentialing; if the child care provider is a 501(c)(3) this can already be done as a charitable deduction, if the provider is a religious provider or a "for-profit" entity such as a family child care home, then the contribution will need to be sent to a 501(c)(3) for distribution as scholarships or grants to the religious and family child care providers

Currently allowable by law, but should be referenced in package to encourage businesses to use their charitable giving in this manner. No additional costs.

3. Provide a time-limited, capped tax exclusion for employers or partnerships of employers who initiate child care arrangements for their employees- limit to start-up costs and the child care must be accredited or credentialed to qualify [can include starting child care center, funding family child care associations and child care resource and referral agencies to recruit and train new child care providers, sick care centers, funding on- or off-site after school programs, etc.]

Cost depends on the caps that are applied; will be written as a business expense deduction for employers under §162 of the tax code

4. Permitting businesses to receive a charitable tax deduction for donating educational equipment and materials to public schools and accredited/credentialed child care providers (not related to employer sponsored or employer provided child care)

Donations to family and other "for profit" child care providers will need to be made through a non-profit association, resource and referral agencies or other similar entity currently qualified as a charitable entity under the tax code; the addition of public schools will entail minimal costs but is a necessary element politically and practically.

5. Expanding the federal clearinghouse activities regarding child care to: disseminate information to states, child care providers, and parents, initiating a public awareness campaign stressing the importance of high quality child care and how to identify such child care, and providing child care accreditation and credentialing entities that have been in existence for 5 years or less support and assistance (including competitive grants) to refine and evaluate their instruments/processes.

Discretionary funding costs, no estimates yet on the amount of funds realistically needed to expand the clearinghouse activities, support for accreditation entities is pretty flexible.

6. Establish an incentive program for states who affirmatively move to improve the quality of child care by: Establishing a subsidy program for child care professionals who are credentialed (to supplement their salaries); Increasing on-site monitoring to a minimum of twice yearly, including at least one unannounced visit; Developing state accreditation/credentialing standards for child care professionals; Establishing a scholarship program for child care providers to help in educational or training costs leading toward accreditation/credentialing; Expanding training and technical assistance activities; Improving state consumer education efforts re: child care including the expansion of resource and referral services, and Improving state child care complaint systems; and Providing increased rates of reimbursement available under all state and federal child care assistance programs for child care that is accredited or preformed by credentialed professionals. **MIMIMUM REQUIREMENT FOR STATES TO PARTICIPATE:** State has not lowered child care standards since 1995, State has not reduced the type of child care requiring state licensing or otherwise constricted the application of state child care licensing since 1995, and State is in compliance with the Child Care and Development Block Grant Act.

Funding is discretionary, unless the leftover funds from the welfare related child care (entitlement \$) is designated for this purpose. Because states are required to match the federal funds to draw down a portion of the welfare-related child care entitlement funds, it is anticipated that there will be leftover funds at the end of each year. Under current law, those leftover funds are to be distributed the following year to states which have drawn down their full allocation of matching funds and demonstrate the ability to match and need for additional child care funds. It is estimated that at least \$200 million will be needed to make this an effective incentive for states.

7. Require child care paid for from funds made available in the Social Services Block Grant, Public Housing Demonstration Grants, the Corporation for National and Community Service and other federal programs utilized in part for child care services to pay differential rates (20% higher) for accredited or credentialed child care services or activities leading to accreditation or credentialing.

No additional cost.

8. Provide a tax deduction for child care centers and providers for the costs required to achieve accreditation or receive professional credentials (including required training or education and the cost of obtaining the accreditation or credentialing)

Can already be deducted as a necessary business expense if the provider is a for profit entity, or as a Schedule C deduction for sole proprietors such as family child care providers. We need to get additional information to determine the feasibility of reducing the current tax floor for the costs of child care credentialing in order to make the tax deduction within the reach of individuals who obtain additional education or training leading to child care credentialing.

9. Create a national infrastructure to facilitate child care training and professional development including hardware needed to build interactive satellite network with at least 2 receiving locations in each state (number dependent upon geographic and population size of state); logistical mechanism for scheduling training events broadcast over the system; limited to 3 years for development and start-up of the system and infrastructure.

Discretionary funding. Proposal being developed by coalition of child care professionals and groups. Costs to be determined.

10. Increase the use of funds of the Community Development Block Grant to include upgrading child care facilities to meet accreditation standards, and for renovating buildings for use as child care facilities, as long as the facilities achieve accreditation within 3 years.

No additional cost, just an expansion of the allowable uses for CDBG funds.

LEVEL 1 - 13 OF 27 STORIES

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December 30, 1996, Monday MET:METRO

SECTION: NEWS MAKING WELFARE WORK Pg.01A

LENGTH: 2387 words

HEADLINE: Making Welfare Work

New rules may trap children, their families in vicious circle

BYLINE: DEBORAH YETTER, The Courier-Journal

BODY:

In her quest to get off - and stay off - welfare, Tracy Hinkle, 27, of Louisville, has done all she knows how.

She has polished her skills. She reports punctually to work as a data-entry operator. She shows up clean and neat, strives for a businesslike attitude, and isn't shy about asking for advancement or raises.

But the high cost of **child care** could bring it all crashing down. And she's not alone, said Hinkle, whose state-assistance payments for **child care** recently expired, forcing her to remove her two small children from a licensed day-care center that cost \$ 150 a week.

'There are a lot of women like me who want to work,' Hinkle said. 'I don't want to be a welfare mama. But child care cost more than my rent.'

Under the plan to put welfare recipients to work, some 8,000 people in Jefferson County - mostly single mothers - will be expected to find jobs or face cuts in benefits, starting in January. The state already has contacted the first 1,000 of 2,000 people expected to find work in 1997.

Child care is one of the biggest obstacles to putting welfare recipients to work, say those working with the issue.

About 5,700 of the 8,000 recipients have small children under age 6; a typical welfare recipient in Jefferson County is a single mother with two small children, statistics show. Experts say that without proper planning and funding for child care, a crisis will erupt.

'It could either be a fabulous opportunity to assist people with child care and children - or it could be a disaster,' said Susan Vessels, executive director of Community Coordinated Child Care (4Cs) in Louisville.

'It really is up to all of us in this state to make sure we are going in the right direction,' she said.

The community also must grapple with the issue of older children who are still too young to be left alone while their parents work - and that could be a

Child care



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serious problem for parents as well, Vessels said.

Several thousand welfare parents in Jefferson County have children between the ages of 6 and 15, according to statistics from the state Cabinet for Families and Children.

"We could really have a lot of children who are in jeopardy," Vessels said.

Jefferson County has an ample number of day-care slots now. Vessels said a survey by 4Cs found that about 560 licensed day-care or in-home care centers offer about 32,600 day-care slots, and many centers now have vacancies.

BUT THE COST of day care or after-school care - around \$ 50 to \$ 100 per child - is out of reach for low-income workers.

Some state and private assistance funds are available, but state assistance cuts off after fixed periods and waiting lists are lengthy at charities that give aid.

Hinkle found waiting lists of more than a year when she called several agencies, including 4Cs.

Paula Wathen, a downtown hotel receptionist, found out she might have to wait for more than a year when she recently called 4Cs looking for help paying for day care for her 11-month-old daughter. Wathen, who has been on welfare before, said she doesn't want to go back.

"I think the single parents that are out here trying to work should get some kind of assistance," she said. "It doesn't give you much incentive . . . to try and get ahead and make a good life for your family."

Costs aside, few centers offer the night and weekend hours needed by many parents in entry level jobs. Even if parents are lucky enough to line up a baby sitter, that doesn't solve the problems of cost and fatigue.

"I've worked second and third shifts," said Debi Baker of Camp Taylor, a mother of one who has lived on and off welfare since her divorce. "There's no time for rest. You can't leave your child at the baby sitter when you get off so you can go home and sleep."

THE WELFARE overhaul pushes getting people into jobs, not education, and places new limits on assistance for those who don't find work. But unless the state finds a way to help pay for child care, efforts are doomed, advocates say.

"The children are the ones being left out of this entire equation," said Linda Locke, assistant director of Louisville's Community Coordinated Child Care. "We have not looked at what we're doing other than putting the adults to work."

Parents pushed into jobs by the welfare law may find themselves trapped in a bureaucratic revolving door - facing ejection once welfare benefits are cut off for good.

The welfare law allows families to collect benefits for no more than five



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years over a lifetime.

"If they don't have child care, they can't work," Vessels said. "If they can't work, they go on welfare. Then they have to work."

Hinkle sees herself caught in that trap. Unable to afford \$ 150 a week for day care, she found a sitter who charges \$ 50 a week. But Hinkle worries whether the sitter might quit - or whether she can afford even \$ 50 a week on her salary of \$ 6 an hour.

Hinkle clears about \$ 722 a month. Out of that, she pays \$ 200 a month for the baby sitter, leaving \$ 522 to pay for her rent of \$ 208, transportation, clothes, utilities, diapers and household items and any food that her food stamps don't cover.

"It's my whole check," she said. "I don't have nothing for myself."

People who give lip service to welfare reform without thinking through issues like **child care** "ought to see how rough it is," she **said**.

"I would like to see **President Clinton** come and sit in my house!" she said.

LOUISVILLE'S urban League offers extensive job training and placement services to people seeking work, many of them on welfare.

But finding child care and paying for it sometimes frustrates parents to the point they quit their jobs and return to welfare, said Wilma Washington, director of the Urban League's career development center.

The current rush to get welfare recipients into jobs doesn't deal with how to keep them there if child-care arrangements collapse, she said.

Washington said she constantly sees parents struggle to stay on the job after temporary state child-care assistance is cut off, only to discover that they can't make it.

"Everybody's saying let's get them to work," Washington said. "It's equally important to see that they're retained on the job."

How Kentucky will manage funds to help the poor with child care is unknown. The state is trying to develop a plan to assist those recipients in job training and those moving off welfare into jobs, said Nancy Rawlings, a member of the management team for the Department of Social Services.

Currently, the state helps with child care during job training and pays for up to 12 months of care once welfare recipients find work.

"WE HAVE A VISION, a goal or a dream of coming up with a universal access plan (for child care)," Rawlings said. "But that doesn't mean universal access would be paid for by the state."

This fiscal year, the state will spend \$ 55 million to help pay for child care through various programs. Under the federal government's new system of delivering the money through a block grant, the state will have a total of \$ 63.5 million in a single fund for child care in the next fiscal year - but will



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have to stretch money further to fund the increased demands of training more people and putting them to work.

Rawlings said the state must submit a plan to federal authorities by July 1 and it's too early to say what the plan will be.

That's the shape most states are in, said Helen Blank, director of child care with the Children's Defense Fund in Washington.

'Everything's going to change because of the new welfare law,' Blank said. 'It's a whole new ballgame, and every state is trying to decide what to do.'

A DISCOURAGING sign is that 38 states, including Kentucky, have waiting lists for child-care assistance to the working poor, she said.

Several people involved with welfare reform said employers may need to step in and help if they are serious about their desire to fill the many local vacancies for entry level jobs.

State Rep. Eleanor Jordan, a Louisville Democrat, is a former day-care operator and member of a task force studying how to implement the welfare law in Jefferson County. She said employers can't do it all - but they could do more to help with costs or create on-site day care.

'A lot of employers have made so much noise about the needs of employees with children,' she said. 'I don't think they have to be social workers, but they certainly will have to realize these employees may need some help.'

Doug Cobb, chairman of the Louisville Area Chamber of Commerce, said that assisting with child care is an area where businesses can help - and many do now.

'I think progressive businesses will continue to offer progressive benefits,' said Cobb, who also is a member of a Jefferson County task force studying how to put welfare recipients into jobs.

But Cobb said business can't take over the entire child-care burden, just as it can't alone remove the other obstacles - transportation, health care, job training - to putting some welfare recipients to work.

Instead, it will require more cooperation among community and charitable groups, government and business, he said.

'I think business feels a little overwhelmed trying to deal with all these issues,' he said.

Wilma Washington, at the Urban League, said government can't do it all and private foundations, churches and charities can't do it all. That means employers may have to assist with child care if they want to get - and keep - the employees.

'I think employers should be encouraged to have more on-site day care,' she said. 'Employers need to buy into this - they need the workers and the workers want to work.'



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On-site day care would solve another problem for employees - transportation, Washington said. Many parents coming off welfare have no car and no hope of getting one on \$ 5 or \$ 6 an hour.

Without a car, they must take a bus to the day-care center or baby sitter, sometimes transferring at least once, then get back on the bus and go through another transfer or two to get to work.

J. Barry Barker, general manager at TARC, said the agency is familiar with that problem and is trying to help. TARC has implemented 'stop-and-go service,' so a rider can get one transfer that's good for two hours on the bus. It also is studying route systems to determine whether it would be possible to somehow collect people at one point and circulate them on smaller buses to their destinations.

SOMETHING THAT shouldn't get lost in the debate about welfare reform and child care, said child advocates, is the need for structured, challenging preschools. These provide children, especially poor children, with enrichment and a leg up on learning skills they will need in school.

Advocates fear desperate parents will fall back on patching together whatever baby-sitting they can find.

A good preschool could help poor children break out of the cycle of unemployment and welfare dependency by getting them off to a better start, said Blank and other advocates.

Otherwise, said Blank, 'If the ultimate goal is to make sure the children aren't the next generation of welfare people, who have you served?'

Tracy Hinkle, a working mother, played with her two daughters, Jade, 8 months, and Sydney, 3. When her state child-care aid expired, she had to remove them from a licensed day-care center.

GRAPHIC: BY JAMES H. WALLACE, THE COURIER-JOURNAL

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LEVEL 1 - 7 OF 27 STORIES

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April 18, 1997, Friday, Home Edition

SECTION: Part A; Page 21; National Desk

LENGTH: 460 words

HEADLINE: WHITE HOUSE 'BABY TALK' RAISES CHILD CARE'S SIGNIFICANCE

BYLINE: ELIZABETH SHOGREN, TIMES STAFF WRITER

DATELINE: WASHINGTON

BODY:

It was no doubt the first time in U.S. history that an American president had sat in the ornate East Room of the White House to soak up four hours of baby talk.

On Thursday, **President Clinton** and First Lady Hillary Rodham Clinton invited some of the country's premier experts in child development to the Executive Mansion to review dramatic new findings on the way young children's brains develop and to discuss the implications, both for public policy and parental care.

The neurobiologists, physicians and other specialists in early child development described research showing how quickly the brains of babies develop after birth, creating trillions of neural connections that either flourish or die off in response to experience. The vast majority of these synapses are formed during the first three years of life.

"Experience is essential for brain wiring," Carla Shatz, a professor of neurobiology at UC Berkeley, said as she explained why it is essential for parents to touch, talk and read to, sing and otherwise nurture and stimulate their babies.

Dr. Patricia Kuhl, head of the speech and hearing sciences department at the University of Washington in Seattle, stressed that babies' brains are busy coding and preparing for language well before they can speak, putting a responsibility on parents and child care givers to talk to newborns.

"When we speak to our children, something is happening," she said. "Infants are born to learn. Our role is to be good partners in this learning process."

Clinton unveiled some initiatives to focus federal money and resources to better meet the needs of infants and preschoolers.

He announced a Justice Department initiative called "Safe Start," based on a program in New Haven, Conn., that trains police officers, prosecutors and parole



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Los Angeles Times, April 18, 1997

officers in child development so they are better equipped to handle with sensitivity cases that involve children.

He also outlined a plan to use the military's experience in running nurseries to improve civilian day care services. He directed the military's child development programs, which have a reputation for high quality, to share their expertise with other groups.

Improving the quality of child care is particularly critical now, he said, because more than a million more infants and young children are expected to need **child care** services as their mothers go to work because of new welfare laws.

"This research has opened a new frontier," **Clinton said**. "Great exploration is, of course, not new. . . . We have gone across the land. We have gone across the globe. We have gone into the skies. And now we are going deep into ourselves and into our children. In some ways, this may be the most exciting and important exploration of all."

GRAPHIC: PHOTO: BABY TALK: The First Lady and **President Clinton** hosted a White House seminar on dramatic new findings on child development. PHOTOGRAPHER: Reuters

LANGUAGE: English

LOAD-DATE: April 18, 1997



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Access No: 72061519970421 ProQuest - The New York Times (R) Ondisc
Title: For Some, Work May Not Mean Self-Sufficiency
Authors: Joe Sexton
Source: New York Times, Late Edition (East Coast)
Date: Apr 21, 1997 Sec: B Metropolitan Desk p: 3
Length: Medium (824 words)
Subjects: Welfare (US); Workfare & Employment of Welfare Recipients

Abstract: Article on welfare to work programs questions whether recipients will find work and will work bring self-sufficiency; working welfare recipients are evidence that work alone may not lift families out of poverty and welfare remains an attractive alternative for many reasons (M)

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Article Text:

When welfare benefits end, will recipients find work and will work bring self-sufficiency?

Working welfare recipients -- and many Hasidic Jews fall in that category -- are evidence that work alone may not lift families out of poverty. Welfare remains an attractive alternative for many reasons. Wages for low-skilled workers are declining; job-training programs have had poor results; low-wage work often does not cover the costs of health care, day care and transportation.

Sandra K. Danziger, an associate professor of social work at the University of Michigan, said the welfare to work programs are not a total failure. 'But the story has been pretty consistent,' she said. 'Many people are financially worse off working than on welfare. Working, for them, has been a very insecure and unsafe place to be.'

A study by the Brookings Institution tracked the experiences of welfare recipients who had gone to work and found that they started at very low wages and increased their salaries by just six cents an hour every year. When Michigan ended its state general assistance welfare program in 1992, studies found that about 20 percent of the people were employed full time after two years; the rest subsisted on food stamps, casual jobs, or aid from friends and relatives.

Now, with Federal legislation dictating that no recipient can get cash benefits for longer than five years, people's ability to find work, keep work and make enough money at those jobs to lift their families out of poverty will be tested like never before.

Rebecca Blank, a professor of economics at Northwestern University, said wages for under-skilled workers have been falling steadily for years. She said the gross income for a high school dropout working full time had tumbled by 20 percent over the last 15 years and by 10 percent for high school graduates. And inflation has eroded that even more.

'Put aside the question of whether jobs are available -- many recipients will find jobs of one kind or another,' Ms. Blank said. 'But jobs solve only one part of the problem. If you look at wages, it is harder now to end poverty through employment than it has been in the last 25 years. This piece of legislation is going to be tougher to implement

now as a result.'

The history of the working Hasidic welfare recipients of Southside appears to support that skepticism. Work has not been enough. Largely unskilled and undereducated, they have been surviving by combining income with welfare. That equation will not hold in the future, when five-year limits are reached.

The Federal Government has already adopted one change to make work more tenable, raising the minimum wage to \$5.15 an hour in October, from \$4.75 an hour. Another program provides a subsidy for poor working families. The earned income tax credit offers cash to working poor households to limit reliance on welfare. A two-child family earning \$10,000 a year can get \$3,500 a year from the Federal tax credit and about \$500 from a similar state program.

It costs the Federal Government more than \$20 billion in 1994, but many families, either from ignorance or fear of the complications of dealing with another government agency, do not take advantage of it. The relative importance of the tax credit varies from family to family. One four-child family with earnings of \$7,200 might ultimately lose its \$250 welfare cash benefit under welfare reform. Their tax credit would be \$305 a month. A family with 10 children, earning \$700 and receiving \$800 in welfare monthly would be entitled to a tax credit of \$355 a month.

Experts also note that some Republican lawmakers have raised questions about the value of the tax credit program, and whether it will exist in 2002 is unclear.

'Increasing wages by a bit for the people working now is not the answer,' said Rabbi David Niederman, a leader of one congregation in Southside, the Satmar sect. 'New kinds of jobs altogether are the answer.'

Gov. George E. Pataki, in his welfare reform proposal, has pledged to allow recipients to keep their Medicaid health insurance for a year after leaving they leave the rolls. He has, as well, promised additional job training funds and offered a plan to allow welfare beneficiaries to keep some cash benefits even as they join the workforce. And in New York City, subsidized child care has long been available for a year after a family stops receiving benefits, although experts say it has been grossly underused, in part because recipients are not made aware of the program.

Some experts, like Glenn C. Loury, a professor of economics at Boston University, say the track records of such job training efforts are not encouraging.

'There is nothing in the literature or experiences of job training programs to suggest that the low-wage worker today is going to be transformed into a \$20-an-hour worker anytime soon,' Mr. Loury said. 'There is nothing that says that's possible.'

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Access No: 38446119970401 ProQuest - The New York Times (R) Ondisc
Title: Stronger Aid Urged to Ease Move From Welfare to Work
Authors: Richard Perez-Pena
Source: New York Times, Late Edition (East Coast)
Date: Apr 1, 1997 Sec: B Metropolitan Desk p: 6
Length: Medium (735 words) Type: News
Subjects: Welfare reform; Public assistance programs; Government spending; Business community; Welfare (US); Workfare & Employment of Welfare Recipients; Reform & Reorganization; Child Custody & Support; Day Care Centers; Medicine &

Names: Health; Health Insurance; Transportation
Pataki, George E (Gov); New York State
Companies: National Federation of Independent Business

Abstract: Unusual alliance of prominent business groups, welfare advocates and county officials calls on state leaders to go beyond New York Gov George Pataki's welfare overhaul plan in guaranteeing child support collections, day care, health coverage, transportation and other services for people moving from welfare to work (M)

Copyright 1997 The New York Times Company.

Article Text:

ALBANY, March 31 -- An unusual alliance of prominent business groups, welfare advocates and county officials has called on state leaders to go beyond Gov. George E. Pataki's welfare overhaul plan in guaranteeing child support collections, day care, health coverage, transportation and other services for people moving from welfare to work.

The Business Council of New York State and the National Federation of Independent Business have joined in a nine-page statement that urges the state to increase spending, perhaps by as much as \$200 million a year, to help welfare recipients find and keep jobs. Also signing the statement were the League of Women Voters; the State Association of Counties; the State Communities Aid Association, which is a leading welfare advocacy group; the New York State Child Care Coordinating Council, and the Citizens' Committee for Children of New York.

That disparate union did not take positions on some of the thornier aspects of welfare restructuring -- like who should be eligible for benefits and how long those benefits should last -- because its members could not agree.

Where there is accord, the alliance's positions tend to fall closer to those of the Assembly's Democratic leaders than to those of Mr. Pataki, a Republican. And there are some areas, like forcing parents to pay child support, where it would go further than either political camp. The Assembly is expected to pass its version of a welfare overhaul Tuesday.

The business groups and the Association of Counties often carry great weight with the Republicans who control the State Senate, and the social service groups are sometimes influential among the State Assembly Democrats, although it is difficult to say whether their lobbying will affect the outcome of the welfare debate.

Michael McKeon, a spokesman for Mr. Pataki, declined to comment on the groups' statement and said he was not sure if the Governor was familiar with it.

Pat Lynch, a spokeswoman for Assembly Speaker Sheldon Silver of Manhattan, said: 'We welcome this proposal. In a number of areas, it does mirror the Assembly plan.'

A Federal law passed last year limits benefits under the core welfare program, for families with children, to five years, with some exceptions, and eliminates many benefits for legal immigrants. But it leaves implementation to the states.

The joint statement signals that business leaders have accepted the argument long put forward by social service groups: that people often stay on welfare because getting a job means losing Medicaid benefits and having to find day care for their children.

'A lot of these people are going to have real difficulty finding and keeping jobs without some help,' said Edward Reinfurt, vice president of the Business Council of New York State, a group of 5,000 companies including many of the nation's largest. 'With a lot of these entry-level jobs, you can't expect a mother to give up health coverage for her kids,

leave them alone at home and pay for transportation to go to work.'

The alliance did not estimate a cost for all of its proposals, but Karen Schimke, executive director of the State Communities Aid Association, said the price could be \$200 million a year. 'If you want the least expensive welfare system, you would have the system we have had,' she said. 'Doing welfare reform that works is not cheap.'

The most profound change advocated by the groups, however, is not directly related to the welfare system but to child support paid by parents who do not live with their children, an area not addressed by either the Governor or the Assembly Democrats.

The coalition proposed letting county social service caseworkers order support payments. Now, only judges can order child support, and about 1 million children are awaiting such orders because the courts are overwhelmed.

'Hundreds of thousands of families would not be on welfare if they were getting the child support they are supposed to get,' Ms. Schimke said.

Mr. Pataki and the Assembly Democrats have proposed large increases in the number of state-financed day-care spaces, both for the working poor and those on welfare. The alliance's proposal falls between the two.

The alliance also proposed letting welfare recipients keep Medicaid coverage for at least two years after leaving welfare, up from the current one year, and giving state aid to families in finding health insurance for their children. The Assembly Democrats proposed similar measures for children. Mr. Pataki's plan does not expand medical coverage.

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Access No: 26232319970324 ProQuest - The New York Times (R) Ondisc
Title: Day Care Center Fills as Working and Welfare Parents Compete
Authors: Joe Sexton
Source: New York Times, Late Edition (East Coast)
Date: Mar 24, 1997 Sec: B Metropolitan Desk p: 1
Length: Long (1985 words) Type: Series
Memo: WELFARE NEIGHBORHOOD: The Day Care Crunch
Subjects: Welfare (US); New York City; Day Care Centers; Southside
(NYC); Surveys & Series; Workfare & Employment of Welfare
Recipients

Abstract: Article in series Welfare Neighborhood which describes
welfare scene in Southside neighborhood of Brooklyn;
discusses growing crunch in day care as result of changes
in welfare law that have begun to require parents who are
recipients to work for their benefits; photo (M)

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Article Text:

The informal applications, made with smiles and tears, are delivered to Brunilda Bido in the street, at church, at the corner store. Ms. Bido is an administrator at Nuestros Ninos, a highly regarded but overwhelmed day care center in the Southside neighborhood of Brooklyn.

The Guatemalan factory workers, the panicked welfare mothers, the cabdriver with a 4-year-old son and eyes bloodshot from lack of sleep -- they want to know if a spot in Nuestros Ninos has opened.

The intimate exchanges in Southside almost always end with the same

answer: She is sorry. The center's waiting list is hundreds deep.

'All I hear is, 'Please!' ' said Ms. Bido, a 31-year-old former factory worker from the Dominican Republic. Once, a father, furious that there was no spot for his child, threatened to harm her.

'He scared me,' Ms. Bido said.

There is plenty of worry to go around as Southside faces one of the most daunting questions of welfare reform: Who is going to care for all the children?

The enactment of changes in welfare law, which has begun to require parents who are recipients to work for their benefits, has greatly increased the need for child care. The daily issue for Nuestros Ninos -- empathy for the needs of neighbors measured against a realism about resources -- is being played out elsewhere in Southside and across the city and country.

Nationally, where roughly 1.25 million children receive Federally subsidized day care, there is a deluge of demand. There are 6.5 million children under the age of 13 in welfare households. Their parents, like those at Nuestros Ninos, are looking for people to care for their children.

But the welfare recipients are not the only people desperate for day care. Southside is one neighborhood rich in working poor parents who do not have the resources, either in finances or family, to make it without help. The city has said that welfare parents are to get priority over working parents at the centers it finances. This competition for assistance stands to be fractious in a place where welfare recipients and the working poor already coexist in a churning mix of resentment and sympathy.

So mothers on public assistance, facing work requirements, come seeking spots for their children, and in the lobby of the two-story building on South Fourth Street, they sit alongside working parents hoping for the same slots. The application information is taken. Not much hope is given.

Maria Espinau, a Dominican immigrant who works in a sweater factory, said she was mystified and hurt by the city's ordering of priorities. Unable to find a slot at Nuestros Ninos, she leaves her son with a neighbor, uneasy about whether proper care is being given.

'That's an unfairness you remember,' she said of the policy favoring welfare recipients.

The situation has been uncomfortable for Nuestros Ninos, which, from its days as a self-made 'street' agency formed 23 years ago, has been one of the neighborhood's beacons of stability, safety and purpose in an imperfect neighborhood.

Nuestros Ninos is a place electric with the workaday life of a child center. The staff is largely female, some of the women having spent their own childhoods at the center. Children are everywhere -- energetic, bilingual, at ease.

Day after day at the brick building on South Fourth Street, smack in the middle of auto repair shops and bodegas, it beats with one of the more secure, less-noticed rhythms of a working poor neighborhood.

Nuestros Ninos is a formidable enterprise, handling 600 children who benefit from city-financed care. Its main center cares for 220 children, 155 of them under 7. Another 90 school-age children go to the agency's site on Hoper Street, and 286 children are cared for in the homes of a network of 72 neighborhood mothers who have been trained and are monitored by Nuestros Ninos.

The center has contracts with the city for fixed numbers of children, those of the working poor and welfare recipients, and the contracts make payment reliable and secure.

The Toll Of Saying No

But the last several months have been 'hurtful and embarrassing' for the agency, according to its executive director, John Mulhern. Each day is

marred by the emotional task of saying there is no room.

'We are trying to create the least amount of anger at the agency as we can,' Mr. Mulhern said. He described the struggle to find an answer to the need 'nothing less than deciding the future of the mission of this institution.'

In December, experiencing the siege produced by greater demand, he presented a plan to his board of directors. It called for enlarging the center's family day care program -- the network of neighborhood women who open their homes as modest day care operations -- and for the first time accepting vouchers from the city as a method of payment.

For the last year the city has run its mandatory work program for welfare recipients by using day care vouchers, a program that will have to be even more aggressive as more recipients are forced to work to meet targets set by Federal legislation in August. Simply put, the vouchers -- slips of paper promising payment -- allow the recipients to buy their child care where they wish -- at a formal day care center, if there is room, or in the apartment of a relative, if that is the preferred or only option.

Reliance on the vouchers, though, has provoked criticism because they have been used almost exclusively to buy what is known as informal child care. Informal care can mean placing children with grandmothers or with neighbors, friends or felons, none of whom are subject to safety or quality controls.

Informal care has become the main option because the city-financed day care system is already overburdened. Currently, the city helps pay for day care for roughly 75,000 children, 20,000 of whom have parents participating in the welfare work program and using vouchers. Still, the 75,000 represent only 14 percent of the children eligible under the income guidelines.

City officials concede they cannot say where the roughly 20,000 children whose parents use the workfare vouchers are going every day. Child care experts warn of the perils, both physical and developmental, of informal care. And administrators of both day care centers and family day care programs have complained that the city often does not pay for the vouchers on time, badly complicating their own accounting operations.

An Ambitious Plan For Expansion

At Nuestros Ninos, Mr. Mulhern's expansion proposal was ambitious and alarming. He proposed expanding the agency's network of family day care providers from 72 (caring for 286 children) to 150 (caring for 500). He would restructure his staff to make do. He realized it was what he called 'expansion on the cheap,' but it might be for the greater good. Offering no hope was too depressing.

He ran into opposition from his staff and board. The expansion, because it would run on vouchers and have no additional money for training potential providers, would limit the agency's ability to monitor all the family day care households. Further, the inability of the city to reimburse for the vouchers on time might jeopardize the agency's finances.

At a board meeting, Sister Eileen McCann, the board president, recalled the story of a Bronx mother who leaped from the roof of her building with her three children. 'She could have two more kids with her -- somebody else's,' she said.

Other board members worried that, because the vouchers were only good for as long as the welfare mothers were involved in the city's work program, the children might be removed from the center at any moment. That, they said, would undermine the agency's heartfelt operating principle: as long as a child qualified financially, that child would be at Nuestros Ninos from age 2 until the beginning of high school. Continuity of care was vital.

'To lower standards to serve more people would be wrong -- that's a

time bomb,' said Richard Oppenheimer, the agency's family day care director. 'We will be creating a two-tier system -- one for the voucher children of the welfare mothers, one for the other children. If you are not meeting the standards your neighborhood has set, what are you doing?'

Aware of the consequences -- that for now the agency would be unable to help new applicants -- the board decided not to expand through vouchers. At a meeting on Jan. 14, the hands went up with difficulty but unanimity. Instead, the board asked the city for a longer-term answer to the need: a formal contract for expansion that would provide additional money for training and monitoring and include permanent day care slots that would not be dependent on vouchers. The board has also petitioned the city to build a new center.

Mixed Signals From City and State

Just how the city plans to cope with the mushrooming of day care needs is unclear, and child care experts have expressed frustration with the lack of specifics. Under Gov. George E. Pataki's budget proposal, the city would get an additional \$27 million for day care this year, up to \$190 million from roughly \$165 million. Child care advocates, however, have accused the Governor of misrepresenting what they say is no real increase in financing.

The city has announced no formal plan of its own. Administration officials have indicated they do not believe the first year of Federal welfare-to-work requirements has been that burdensome, and have simply been increasing their use of vouchers. But Child Care Inc., the city's leading child care advocacy organization, projects that because of welfare changes the city will have to handle day care for 35,600 new children this year, beyond the 75,000 it now assists.

Mr. Mulhern said last week that the city appeared receptive to his agency's grander plans for expansion.

For now, each arrival at Nuestros Ninos provokes heartache, with the men and women of the neighborhood bringing stories of hard work and harder choices. Parents tell of having to leave children with a brother or a sister, for example, preventing that brother or sister from working.

The staff does what it can: applications are always taken, tears are shared, free training is given when possible to mothers who want to be day care providers.

Francisco Hernandez, 34, who recently gained custody of his 4-year-old son, drives a cab during the winter, an ice cream truck in the summer. His aunt can no longer care for his son. He came to see Ms. Bido exhausted but eager.

He was told there was no space. He was told he would have a better chance if he was on welfare. He smiled sadly and left.

'The world is not perfect,' Mr. Hernandez said.

Welfare Neighborhood

The nation's welfare system is being reshaped with an array of policy changes at the local, state and Federal levels. Some people have forecast disaster for the poor; others see the end of decades of dependence and dishonesty. This is the third article in a series that explores how the changes come together in one Brooklyn neighborhood, Southside in Williamsburg. Previous articles examined the first signs of change arising from welfare reform and the extent of welfare fraud.

Caption:

'We are trying to create the least amount of anger at the agency as we can,' said John Mulhern, left, executive director of Nuestros Ninos. Mr. Mulhern is faced with turning children away from the center every day; Nap time at Nuestros Ninos, where Jason Molano, foreground, and Raquel Castillo, both 3, are among the lucky children who have been admitted to the popular day care center in the Southside neighborhood of

LEVEL 1 - 17 OF 27 STORIES

Copyright 1996 The Denver Post Corporation
The Denver Post

September 19, 1996 Thursday 1ST EDITION

SECTION: A SECTION; Pg. A-01

LENGTH: 503 words

HEADLINE: Kids, first lady chat Family needs stressed in Wheat Ridge visit

BYLINE: By Jeffrey A. Roberts, Denver Post Staff Writer

BODY:

WHEAT RIDGE - Hillary Rodham Clinton promoted an expanded Family Leave Act and her husband's plan for making college more affordable during a campaign stop yesterday at an after-school **child-care** program here.

Leading a forum on family issues, the first lady also tried to calm fears that the welfare-reform law recently signed by **President Clinton** will limit federal financial support for **child care**.

It won't, she told parents and teachers assembled in the gym at Stevens Elementary School. She said the bill actually increases the amount of money for such programs but gives states more authority over how the dollars are spent.

"We're just going to have to be very careful as welfare reform is implemented that quality **child care** continues to be available," Mrs. **Clinton** said. "We will have the money. We just have to make sure it's used in the right way."

The 45-minute panel discussion focused on problems facing single parents and working-class families, and it gave the president's wife an opportunity to lobby for key pieces of the Clinton-Gore agenda.

Single mother Tina Arellano asked why the government can't expand the Family and Medical Leave Act to give parents more flexibility to leave work for an hour or so to attend parent-teacher conferences or their children's sporting events. The act, the first **bill** signed by **Clinton** after he took office, lets families with new babies or sick relatives take unpaid vacation without risking their employment or benefits.

The audience applauded when Mrs. Clinton said that Arellano's suggestion is already high on the president's list of proposed new laws should he be re-elected.

"When we used to go to parent-teacher conferences, we used to be terrified to show up and have someone talk to us about our daughter," she said. "But at least we were free to go."

Mrs. Clinton also discussed the need for programs aimed at making a college education more affordable for children of middle-class families.



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She promoted her husband's proposal to let people take a \$ 1,500 tax credit to attend community college, use Individual Retirement Accounts to save for college and deduct up to \$ 10,000 a year for tuition payments.

Prior to the forum, the first lady toured the Stevens Elementary after-school child-care program, which is run by Red Rocks Community College.

She talked with children as they made masks out of clay, played board games and built colorful structures with Legos and K'Nex connecting sticks.

Twelve-year-old Brian Shuss, a sixth-grader, got Mrs. Clinton's autograph on his hand-drawn "Welcome to Our School" sign.

He and some of the other children asked her about the Clintons' cat, Socks, and what it's like to be married to the president.

"It's pretty neat most of the time," she said. "But you know, I was married to him a long time before he became president. And that was neat."

The school presented Mrs. Clinton with a gift - a framed picture generated on a computer by former Stevens sixth-grader Celeste Helton.

GRAPHIC: PHOTO: The Denver Post/Kent Meireis Hillary Rodham Clinton, with Principal Kent Schnurbusch and Colorado first lady Bea Romer, visits Stevens Elementary in Wheat Ridge.

LOAD-DATE: September 20, 1996



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LEVEL 1 - 16 OF 27 STORIES

Copyright 1996 The Durham Herald Co.
The Herald-Sun (Durham, N.C.)

October 01, 1996, Tuesday

SECTION: Inside Front; Pg. A3;

LENGTH: 1679 words

HEADLINE: The News in Brief

BODY:

NATION

Country's welfare reform plan under way

WASHINGTON -- America's much-debated welfare reform plan formally began Monday when the Department of Health and Human Services approved plans Wisconsin and Michigan submitted to run their own public-assistance programs.

In the aftermath of the often-bitter debate that dominated Congress as lawmakers fought over the future of welfare during the past nine months, the formal certification was something of a foregone conclusion, guaranteed once President Clinton signed the GOP-crafted bill in August.

But nonetheless, it marks the first transfer of authority under the new system since the federal government adopted a unified approach to funding welfare and anti-poverty programs.

Clinton also said the first allotment of child care funds would be distributed to states beginning today. The new law set aside \$ 1.9 billion for states to spend on providing child care to parents who move from welfare to work.

Under the new law, public assistance recipients are limited to five years of total benefits, and all except those granted hardship waivers are required to find work within two years of first gaining benefits.

Computer hacker pleads innocent

LOS ANGELES -- The notorious computer hacker Kevin Mitnick pleaded innocent Monday to charges he mounted a multimillion-dollar crime wave in cyberspace during 21/2 years as a fugitive.

Mitnick, 33, held without bail on a fraud conviction, told the judge not to bother reading the indictment, which includes 25 new counts of computer and wire fraud, possessing unlawful access devices, damaging computers and intercepting electronic messages.

"Not guilty," Mitnick said.

His indictment, handed up Friday by a federal grand jury, follows an



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investigation by a national task force of FBI, NASA and federal prosecutors with high-tech expertise.

Mitnick disappeared in 1992 while on probation and was tracked by computer and telephone security experts who caught him in Raleigh, N.C. The story of his arrest in February 1995 made national headlines.

Dole-Kemp accept Silicon endorsement

MOUNTAIN VIEW, Calif. -- In accepting the endorsement of 220 Silicon Valley executives, Jack Kemp and Bob Dole promised Monday that a Republican administration would create a more business-friendly economic climate.

"We know that this country can compete with any nation in the world if we stop the type of regulations, litigation and taxation that makes America less competitive and is driving American jobs offshore," Kemp told a crowd of about 200 in the parking lot of Netscape, the Internet software company.

Dole, who has temporarily abandoned the campaign trail to prepare for Sunday's debate against **President Clinton**, telephoned in his remarks.

"Our liberal opponents have big ambitions for the federal government and we have big ambitions for the American people," Dole said. "As we go into the home stretch, let me say again, we are pleased to have you on our side and we'll be on your side after the election."

A month ago, Clinton received the backing of 75 Silicon Valley executives in the battle for support in the state.

4 million workers get pay raise today

WASHINGTON -- Nearly 4 million American workers are getting a pay raise today.

The minimum wage rises 50 cents to \$ 4.75 an hour, the first of two increases enacted by a sharply divided Congress that will boost it to \$ 5.15 an hour next Sept. 1.

The 90-cent raise means an additional \$ 1,800 annually for a full-time worker. The last increase, 45 cents, was in April 1991.

Congress enacted the increase on Aug. 2 -- a rare Democratic legislative victory during 20 months of Republican control.

Former midshipman gets prison sentence

ANNAPOLIS, Md. -- A former midshipman was sentenced to 90 days in prison Monday for molesting a 2-year-old girl, the second child abuse case this year involving a Naval Academy student.

The school announced a new independent review board Monday to review its operations.

Jeremy Coale, who pleaded guilty in August to molesting the granddaughter of a couple he was visiting, was sentenced Monday to four years in prison, with all



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but 90 days suspended.

Coale, 20, of Grand Rapids, Mich., is the second former midshipman this year to be sentenced for child sexual abuse. In June, Patrick Michael Chapman, 25, was sentenced to four years in prison for exposing himself and sexually molesting a 13-year-old boy.

Gene therapy may get human test

WASHINGTON -- Injecting designer genes directly into muscle tissue creates a natural pharmaceutical factory that cures severe anemia in lab mice, researchers say. The technique may be tested in humans next year.

Dr. Jeffrey Leiden, director of a research team at the University of Chicago, said his group showed that genes can be injected into muscle tissue to cause the production of proteins needed to correct some blood disorders.

Another researcher called the development "a solid breakthrough" in gene therapy because it demonstrates a new way to put a corrective gene into the body.

In the experiment, Leiden and his team extracted from normal mice a gene that tells the body to make erythropoietin, a hormone that stimulates production of red blood cells. Injections of the hormone are used in humans to treat a type of severe anemia common in patients with kidney failure.

Woman kills mother, steals her baby

KEOKUK, Iowa -- A woman who pretended for months that she was pregnant allegedly lured a new mother to her home, shot her twice in the head and then hid the body in her basement, passing the boy off as her own.

Police said Kimmi Hardy bought a gun a month before the slaying, wore maternity clothes for about five months, and even held a baby shower after the killing.

Robert Hardy, 36, who prosecutors plan to charge as an accessory, told police his wife shot Theresa Lund, 34, a month ago in their basement and hid the body in a crawl space, according to court papers filed Monday.

Hardy told police he wasn't home during the slaying, but later helped his wife get rid of the body and hide evidence.

Lund and her 6-week-old son were reported missing after her car was found in a store parking lot on Aug. 28. That same day, Mrs. Hardy, 36, told friends and family that she had given birth to a son, court papers said.

Accused officer free on bond pending trial

ALEXANDRIA, Va. -- A military intelligence officer accused of giving South Korea secret U.S. documents won a court ruling Monday that would free him pending trial. Prosecutors said they would appeal.

Rejecting a prosecution argument that Robert Kim should be held without bail because he is likely to flee the country, U.S. Magistrate Judge W. Curtis Sewell



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ordered Kim, 56, freed on \$ 200,000 bond and more than \$ 500,000 worth of property put up by his friends.

"The defendant is certainly charged with an offense that could have serious consequences," Sewell said. "Weighed against that, I view the character of the defendant ... except for the offense charged, there is no indication the defendant is engaged in any criminal conduct of any kind."

Kim, a U.S. naval intelligence computer analyst, is accused of passing more than 50 classified documents to an agent of his native South Korea.

WORLD

IRA group claims responsibility for failed car bomb

BELFAST, Northern Ireland -- An IRA splinter group claimed responsibility for a failed car bomb, and pro-British militants warned Monday they were ready to abandon their nearly 2-year-old cease-fire.

The Irish Republican Army ended its 17-month cease-fire on Feb. 9 with a bomb explosion in London that killed two men. It has since waged a limited bombing campaign in England, but has refrained from attacks within Northern Ireland.

Sunday's failed car bomb was claimed by a shadowy group calling itself the Continuity IRA. It is believed to be composed of disgruntled ex-IRA members unhappy that the outlawed group has not resumed attacks inside Northern Ireland.

Meanwhile, jailed militants of Northern Ireland's main pro-British paramilitary group, the outlawed Ulster Defense Association, said Monday they were ready to call off their cease-fire.

The cease-fire called by the UDA and other pro-British groups on Oct. 13, 1994, was agreed to in consultation with jailed colleagues inside Northern Ireland's top-security Maze Prison.

Communist wants Yeltsin to step down

MOSCOW -- Still bitter about last summer's election defeat, Communist leader Gennady Zyuganov demanded Monday that Boris Yeltsin step down because of ill health and let Russia elect a new president.

Zyuganov said Russian history shows that when the czar is weak, the nobles fight among themselves, weakening the nation. And with Yeltsin ill, he said, debilitating power struggles within the Kremlin are inevitable.

Yeltsin has been hospitalized since Sept. 13 with heart trouble and faces a multiple bypass operation in November or December. Doctors say he probably will need two months after that to recuperate.

Zyuganov, who has urged Yeltsin to quit several times, said Yeltsin "cheated" the nation by concealing the seriousness of his heart trouble during the election campaign.

British woman loses 3 of octuplet fetuses



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The Herald-Sun (Durham, N.C.), October 01, 1996

LONDON -- A British woman on Monday lost three of the octuplets doctors had advised her not to try to carry to term.

Mandy Allwood, 32, was in satisfactory condition at King's College Hospital. But the remaining five fetuses were still in danger.

"Sadly, she has lost three babies and the situation for the others is bleak," Donald Gibb, a consulting obstetrician, said in a statement.

Allwood sold exclusive British rights to her story to the tabloid News of the World and hired a publicist to seek further financial deals. While details of the arrangement were not released, the newspaper has indicated that the more babies she bears, the more money she gets.

She rejected doctors' advice to abort some of the fetuses, which were conceived while she was on fertility treatment.

LOAD-DATE: October 01, 1996



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LEVEL 1 - 12 OF 27 STORIES

Copyright 1997 Knoxville News-Sentinel Co.
Knoxville News-Sentinel (Knoxville, TN)

February 04, 1997, Tuesday

SECTION: A Section; Pg. A10

LENGTH: 498 words

HEADLINE: Sundquist welcomes funds but says welfare travel no problem

BYLINE: By Richard Powelson, News-Sentinel Washington bureau

BODY:

WASHINGTON -- Gov. Don Sundquist said Monday that Tennessee is providing adequate transportation for working welfare recipients to get to and from jobs and **child-care** centers but would welcome additional funds that **President Clinton** proposed.

"It makes our welfare reform easier if we get some help from a lot of other different areas," Sundquist said after he and all other governors left a White House meeting with Clinton.

Meanwhile, Sundquist told a Nashville newspaper at the National Governors' Association meeting that he wants to merge the departments of Labor and Employment Security to consolidate the state's job-training programs.

The move, which will require the Legislature's approval, may not come until 1998, Sundquist spokeswoman Beth Fortune said.

Sundquist told the Nashville Banner he plans to merge the departments of Labor and Employment Security and pieces of other departments that provide job training programs.

Organized labor may not object to Employment Security being absorbed by the Labor Department operations if Labor remains an independent department, state AFL-CIO secretary Eddie Bryan said Monday.

On the welfare issue, Sundquist said, the state already has dedicated \$ 50 million to transportation and child-care needs of able-bodied welfare recipients taking mandatory jobs under the state's reform program, called Families First.

The program is less than 6 months old, so it still is not clear if enough money has been put into those needs, he said. About 93,000 Tennessee women were on welfare when Families First started.

Sundquist, attending the winter meeting of the association, **said Clinton** proposed that perhaps "a smidgen" of federal transportation funding should be tied to aiding the transportation needs of working welfare recipients going to jobs and **child care**.

He said the state has been meeting the transportation needs of workers on



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welfare, and a published report about a bus shortage in Memphis was erroneous. Clinton must have heard of the published report because he mentioned the importance of transportation to Memphis workers on welfare when addressing the governors Monday, Sundquist said.

Governors of states with large populations of legal immigrants -- such as New York, California and Illinois -- have been urging other governors to back them in a bid to get Congress to revise federal welfare reforms passed last year that ended public assistance for legal immigrants.

Tennessee has only roughly 1,300 legal immigrants needing public health-care benefits, Sundquist said, and they could be covered by Tennessee's revised Medicaid program, TennCare, if the U.S. Health Care Financing Administration approves such coverage, Sundquist said.

On his own agenda for the state, Sundquist said he hopes to give more attention to the special needs of preschool children from low-income and disadvantaged families. He said he would look for more funding by cuts or savings from other programs.

LANGUAGE: ENGLISH

LOAD-DATE: February 06, 1997



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LEVEL 1 - 11 OF 27 STORIES

Copyright 1997 Madison Newspapers, Inc.
Wisconsin State Journal

March 4, 1997, Tuesday, ALL EDITIONS

SECTION: Local/Wisconsin, Pg. 3B

LENGTH: 455 words

HEADLINE: HEALTH COVERAGE PART OF W-2 HELD UP

BYLINE: Mike Flaherty Legislative reporter

BODY:

While Wisconsin's new welfare program officially began in two counties this week, a legislator who helped create Wisconsin Works warned Monday that the program still faces 'major problems.'

The program known as W-2, which started Monday in Pierce and Fond du Lac counties, requires all heads of welfare families to obtain jobs in exchange for health insurance, job subsidies, **child care** assistance and food stamps.

But changing the health insurance portion of W-2 is impossible because **President Clinton** has blocked any changes, **said** Rep. John Gard, R-Peshtigo, who was the Assembly author of W-2 and now heads a W-2 oversight committee.

'Health care represents half of the cost of W-2,' Gard said. Unless the state changes health insurance for the poor along with other benefits, there will be much less incentive for the poor to want to graduate off welfare into paying jobs, he said.

'It's going to be a lot more difficult to make this program work,' he warned.

The crux of the problem is 'a philosophical difference (between Clinton and Gov. Tommy Thompson) over how to move people to self-sufficiency,' Gard added.

Under W-2, Thompson wants to expand government health insurance, or Medical Assistance (Medicaid), to the working poor so that a family of three receiving assistance could earn up to \$ 26,000 and still receive it. (Currently, a family of three would be ineligible after making more than \$ 15,000, or \$ 21,000 if children are under 6.)

By doing so, 45,000 working poor families who now have no health insurance would be eligible for state Medical Assistance, Gard said. 'This is a program for the working poor.'

The trade-off, however, is that the working poor whose employers offer private health insurance would be denied Medical Assistance. And nearly everyone in W-2 would have to pay a co-payment averaging \$ 20 a month to receive Medical Assistance.



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Paying for the coverage generates money to expand the program to more people -- and lessens the attractiveness of state Medical Assistance. That encourages the working poor to pursue better and better jobs, Gard said.

Gard warned that if Wisconsin can't stretch Medical Assistance to more people, W-2 faces huge problems.

"People say that women with children need health insurance and **child care** if they're going to return to work. We have to offer them health insurance," Gard said. "We don't know what we'll do."

A **spokesperson** for Clinton was unavailable for **comment** late Monday. But Clinton has said he does not want to approve any measure that would somehow result in the poor losing their health insurance.

No final decision has been made by Clinton, but "it looks pretty bleak," Gard said.

LOAD-DATE: March 05, 1997



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LEVEL 1 - 10 OF 27 STORIES

Copyright 1997 Chattanooga News-Free Press Company
Chattanooga Free Press

April 17, 1997, Thursday

SECTION: NEWS; Pg. A6

LENGTH: 429 words

HEADLINE: Clintons' Conference Boosts Early Child Development

BYLINE: By SANDRA SOBIERAJ, Associated Press Writer

BODY:

WASHINGTON -- Showcasing scientific research on how babies' brains grow, **President Clinton** and first lady Hillary Rodham Clinton are convening a massive White House symposium focusing on the vital role that early nurturing plays in child development.

Today's daylong meeting was meant to put in plain English voluminous scientific research from the past half-decade, and make it usable for parents, teachers and **child-care** workers.

"Our primary goal is to find ways to put the research to practical use," Mrs. **Clinton said** Wednesday in previewing the event, which has been her pet project for months.

The president, who successfully mined the family-values theme in last year's campaign, committed more than five hours of his schedule today to participate. He was expected to announce a modest child-care initiative but otherwise be content just to lend the authority of his office to the message of the day: The experiences of babies' first days and months have a decisive impact on the architecture of their brains, and on what kind of adults they will become.

A report by the New York-based Families and Work Institute, which was to form the core of the conference, found that during the first three years of life, the vast majority of the brain's synapses -- or connections among brain cells -- are formed.

The ways in which parents and other care givers relate with children during that formative period directly affect the child's emotional development and their ability to handle stress as adults, the report said.

With so much emphasis in the research on early parental attention, Mrs. Clinton, once a working mother herself, cautioned against concluding that stay-at-home mothers were superior. One "could draw that conclusion, but ... we have to be careful we don't send a one-size-fits-all, cookie cutter (message) because parents come in all shapes and sizes," she said.

Broadcast by satellite to at least 80 "watch parties" nationwide, the conference was bringing together prominent researchers and child experts, including renowned pediatrician T. Berry Brazelton.



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Chattanooga Free Press, April 17, 1997

Actor/ director Rob Reiner was scheduled to make a presentation on how the entertainment industry can help make parenting and child care tips broadly available. He heads the I Am Your Child campaign, which the National Governors' Association endorsed on Wednesday.

A national poll released in conjunction with the conference found that just 38 percent of parents feel totally sure that they can tell if their child's emotional development is healthy and on track.

LANGUAGE: ENGLISH

LOAD-DATE: April 18, 1997



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LEVEL 1 - 9 OF 27 STORIES

Copyright 1997 News World Communications, Inc.
The Washington Times

April 18, 1997, Friday, Final Edition

SECTION: Part A; NATION; Pg. A4

LENGTH: 667 words

HEADLINE: President urges growth of child health, day care;
Clinton at conference tell parents to talk to infants

BYLINE: Paul Bedard; THE WASHINGTON TIMES

BODY:

President Clinton, claiming high-tax European nations have better **child care**, yesterday suggested providing universal health care for children, pregnant women and new mothers and day care for young working parents.

But Mr. Clinton didn't explain how to pay for any of the broad initiatives suggested at a White House conference on child brain development called by first lady Hillary Rodham Clinton.

"Ask yourself: Is this primarily a money problem?" he said midway through a daylong East Room session on how to help parents interact with their infants. Much of the content was common-sense information once passed from mother to daughter.

"At first glance, it may seem odd to hold a conference here at the White House devoted to talking about baby talk, but that discussion has never been more important," said Mrs. Clinton, opening the conference.

"The song a father sings to his child in the morning or a story that a mother reads to her child at bedtime helps lay the foundation for a child's life - and in turn for our nation's future," she said.

The focus of the conference was on infants, although several of the doctors and neurologists sitting with the Clintons said the brain begins developing long before birth.

In the womb "the brain is in training," said Dr. Carla J. Shatz of the University of California at Berkeley.

Rob Reiner, a Hollywood executive and children's advocate, put a Clinton spin on the conference: "It's the brain, stupid."

He predicted that child development and day care will be major issues in the 2000 presidential campaign.

Mrs. Clinton called the conference after recent studies showed that infant



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brains are brighter and more impressionable than earlier believed. She said the conference's goal was to find a way to get that information into the public's hands and persuade parents to interact more with their infants.

"Doing what's been suggested here is a no-brainer," Mrs. Clinton said.

A sharp clash occurred when pediatrician T. Berry Brazelton criticized Mr. Clinton for signing last year's welfare reform legislation, which limits funds to mothers of disadvantaged children. "We turned the wrong way. . . . It's so obvious," he said. The president gave no answer.

A national poll released in conjunction with the conference found that 38 percent of parents feel totally sure they can tell if their children's emotional development is healthy and on track.

Forty-four percent feel confident of recognizing the milestones of intellectual development, according to the survey of 1,000 parents conducted last month for the National Center for Infants, Toddlers and Families.

Domestic policy chief Bruce Reed said the White House hoped to use the conference to prod corporate America to provide on-site child care. He said companies "from IBM to Kmart" should give free day care to workers.

Several corporate, community and media leaders endorsed the goal and described their efforts to help young parents raise their children. Kellogg Co. Chief Executive Officer Arnold Langbo said the cereal maker will devote two back panels of cereal boxes to explaining the new research on the importance of talking, playing and otherwise interacting with infants.

To spark communities and companies to provide quality day care, which can cost up to \$20,000 a year per child, the president instructed the military to share its know-how with towns and local organizations near bases.

One participant, Dr. Deborah Phillips, an expert in child care, said a majority of newborns are in child care programs, many of which are inadequate and hamper mental development.

"Infants seem to get the poorest care of all," she said. Dr. Phillips said the Pentagon model is a good one because it pays day care workers well and gives them proper training.

Mr. Clinton said many European nations have better child care than the United States.

"They take better care of their child care than we do," he said of France.

LANGUAGE: ENGLISH

LOAD-DATE: April 18, 1997



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LEVEL 1 - 8 OF 27 STORIES

Copyright 1997 The Tulsa World
TULSA WORLD

April 18, 1997 Friday FINAL HOME EDITION

SECTION: NEWS; Pg. A1

LENGTH: 855 words

HEADLINE: White House Opens Dialogue on 'Baby Talk'

BYLINE: Wesley Brown

BODY:

During an all-day conference at the White House -- transmitted to Tulsa Community College's Northeast campus -- on Thursday, **President Clinton**, first lady Hillary Clinton and a distinguished panel of scientists and child experts confirmed what many parents have known all along: "baby talk," lullabies, story-time, hide-and-seek games and playtime during a child's first three years are crucial to future development.

"At first glance, it may seem odd to hold a conference here at the White House devoted to talking about baby talk, but that discussion has never been more important," said Hillary Clinton.

"We have reached a point where we understand a child's mind needs to be nurtured -- it is a work in progress."

The first lady, who organized the nationwide teleconference, also said there needs to be clear, honest national debate about **child care**.

"We need to talk about the good, bad and ugly," she said.

Dozens of Tulsa child advocates and **child-care** professionals, **said** they were excited that the **Clintons** were making children America's No. 1 priority. They were invited to TCC's Northeast Campus as one of 80 select "watch groups" nationwide to view the White House conference by satellite.

During the three-hour teleconference, the president and first lady applauded new studies by the National Institute of Child Health and Human Development and the Carnegie Foundation, which conclude that a baby's first days, months and years have a decisive impact on the development and growth of their brain.

The president, who focused on children and youth issues during his inauguration speech, announced four new initiatives that he said would make early childhood development a national priority.

The initiatives include allowing the military to share its



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TULSA WORLD April 18, 1997 Friday

successful international day-care system with the private sector, supporting universal health care for children, expanding the federal Head Start program to children 3 and younger, and making it a priority to protect all children from abuse at home, in school and the community.

"This unique conference is to make sure that we make the most of our children's God-given ability. This new research has opened a new frontier on the potential of our most valuable assets.

"We have explored outer space, we have explored the depths of the ocean but this may be the most exciting exploration of all," Clinton said.

Local child-care expert Dr. Robert Block said the efforts by the Clintons were important.

However, Block said child care professionals have known for 20 years that children start developing and learning from the moment they are born.

"We already knew about the research, but we don't make policy," said Block, who heads the University of Oklahoma's Department of Pediatrics in Tulsa. "One of the things that drives us crazy is our ability, or inability, to reach policy-makers. "

Block said the key to keeping children's issue on the forefront of American policy is getting lawmakers to fund child prevention and intervention programs.

"We are beginning to see what we predicted 20 years ago about increases in juvenile crime and violence, and breakdowns in educational system," Block said.

Tulsa County Head Start Director Jo Ann Gilford also expressed excitement about the president's initiatives.

"Probably, from a political standpoint, the Clintons are trying to establish greater support for the American family by saying that they know that it takes an entire community to be involved in the life of the child," Gilford said.

Although most child-care professionals nationwide are excited about the Clinton's new initiative, there are still some critics of the new plan.

Renowned pediatrician T. Berry Brazelton, who sat on the White House panel, chastised Clinton for signing welfare reform legislation last year.

"We should have thought about child care before we passed a welfare reform bill that makes mothers go to work without understanding the consequences," Brazelton said.

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TULSA WORLD April 18, 1997 Friday

Also, the conservative Family Research Council said the conference was a "heartless attempt by the day-care lobby to legitimize separating very young children from their parents. "

"What makes this event stand out is that rather than urging parents to invest lots of time with their young children, it suggests that parents ought to step aside and let 'trained professionals' take over many of the family's traditional nurturing responsibilities," said Bill Mattox, senior analyst for the council.

In conjunction with the national initiative, the Community Service Council unveiled its "I Am Your Child" campaign that will focus on early childhood development of children under age 3. For more information about the local initiative, call 585-5551.

LANGUAGE: ENGLISH

LOAD-DATE: April 19, 1997

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Brooklyn. (pg. B1); Destiny Davila, 3, at Nuestros Ninos, where there is not enough room for all the children whose parents would like to place them there. (Angel Franco/The New York Times) (pg. B3)

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Access No: 08739419970314 ProQuest - The New York Times (R) Ondisc
Title: Hatch Joins Kennedy to Back a Health Program
Authors: Robert Pear
Source: New York Times, Late Edition (East Coast)
Date: Mar 14, 1997 Sec: A National Desk p: 24
Length: Medium (781 words) Type: News
Subjects: Uninsured people; Health insurance; Federal legislation; Children & youth; Excise taxes; Medicine & Health; Health Insurance; Children & Youth; Law & Legislation; Taxation; Smoking & Tobacco
Names: Kennedy, Edward M; Hatch, Orrin G; Hatch, Orrin G (Sen); Kennedy, Edward M (Sen)
Companies: Children's Defense Fund; United States
Abstract: Sen Orrin G Hatch, conservative Republican, embraces major Democratic effort to provide health insurance for half of nation's 10 million uninsured children; Hatch says he will become chief sponsor of bill written by Sen Edward M Kennedy that would increase Federal tax on tobacco products to finance health care for children; Hatch and Kennedy announce their plans at conference of Children's Defense Fund; Hatch's announcement is seen as coup for advocates of child health programs, including many Democrats; bill would increase Federal excise tax on cigarettes to 67 cents a pack from 24 cents; photo (M)

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Article Text:

WASHINGTON, March 13 -- Senator Orrin G. Hatch, a conservative Republican, today embraced a major Democratic effort to provide health insurance for half of the nation's 10 million uninsured children, saying he would become the chief sponsor of the legislation.

Senator Edward M. Kennedy, Democrat of Massachusetts, wrote much of the bill, which would increase the Federal tax on tobacco products to finance health care for children.

The two Senators announced their plans at a conference of the Children's Defense Fund. Congress has barely begun work on the legislation. No hearings have been held, and the tax increase on cigarettes faces an uphill battle. But Mr. Hatch's announcement was a coup for advocates of child health programs, including many Democrats.

It also shows the curious politics of such programs. Mr. Hatch, from Utah, said he was offering the legislation to prove that the Republican Party 'does not hate children,' and he added that 'as a nation, as a society, we have a moral responsibility' to provide coverage for the most vulnerable children.

Senator Kennedy said he would work with Mr. Hatch as he worked last year with Nancy Landon Kassebaum, the former Republican Senator from Kansas, to pass legislation guaranteeing access to health insurance for

millions of people who change jobs or lose their jobs. Mrs. Kassebaum, now Nancy Kassebaum Baker, retired this year.

Mr. Hatch said he and Mr. Kennedy were sometimes called a 'legislative odd couple.' The two have worked together on legislation involving public health, biomedical research, AIDS, child care, summer job programs and civil rights for people who are disabled.

Senator Hatch noted he had recently been described as a 'latter-day liberal' in The National Review, a conservative journal. And he did not reject that description.

'Children are being terribly hurt and perhaps scarred for the rest of their lives' when they have no health insurance, Mr. Hatch said.

The Hatch-Kennedy bill would raise \$30 billion in revenue over five years. Two-thirds of the money would be distributed to the states for child health initiatives. One-third would be used to reduce the Federal budget deficit.

Under the bill, states that want Federal grants would have to contribute money according to a formula set by Congress. Aides to Mr. Hatch predicted that new state spending would total \$3 billion over five years. The states would sign contracts with insurance companies to offer policies covering children.

The benefits would be identical to those available under a state's Medicaid program. Such benefit packages now vary widely by state, but are more generous than the coverage typically offered by private employers to their employees.

Under Mr. Hatch's bill, each state would establish its own eligibility criteria, but the poorest children would be served first. Aides to Mr. Hatch said children would not have a legally enforceable right, or entitlement, to benefits if a state ran out of money in a particular year.

The bill would increase the Federal excise tax on cigarettes to 67 cents a pack from 24 cents. It is highly unlikely that Congress would approve such an increase, and it is not clear what other means Mr. Hatch and Mr. Kennedy might use to finance their proposal.

Mr. Hatch has adhered to the Republican philosophy of 'no new taxes.' But he said he concluded that higher tobacco taxes were justified because smoking severely harmed the health of millions of Americans.

Senator Phil Gramm, the Texas Republican who is chairman of the subcommittee on health care, is working on a more modest bill to expand health insurance for children. Larry Neal, a spokesman for Mr. Gramm, said, 'I feel certain that our bill won't involve tax increases of any sort.'

Mr. Hatch said he was an expert on the health care needs of children because he had 6 children and 17 grandchildren. Utah, with its large Mormon population, has the highest fertility rate and the lowest median age of any state. Thirty-five percent of Utah residents are under the age of 18. For the nation as a whole, the comparable figure is 26 percent.

Lawmakers will have to wrestle with two troublesome questions as they work on health insurance legislation for children. One question is whether the cost of the new program would be partly offset by cuts in Medicaid, the Federal-state health program for poor people. Another question is how to prevent employers and employees from using the new program as a reason to cut back their contributions for the purchase of private health insurance.

Caption:

Senator Orrin G. Hatch, left, a Utah Republican, said yesterday he supported a bill written mostly by Senator Edward M. Kennedy, Democrat of Massachusetts, to provide health insurance for millions of children.
(Paul Hosefros/The New York Times)

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Access No: 18059919970115 ProQuest - The New York Times (R) Ondisc
Title: What Pataki's Budget Would Do
Authors: Richard Perez-Pena
Source: New York Times, Late Edition (East Coast)
Date: Jan 15, 1997 Sec: B Metropolitan Desk p: 4
Length: Medium (987 words)
Subjects: Finances; Budgets & Budgeting; Education & Schools;
Medicine & Health; Medicaid; Welfare (US); Environment;
Colleges & Universities; Mental Health & Disorders; Prisons
& Prisoners
Names: Pataki, George E (Gov)
Abstract: Highlights of New York State Governor George Pataki's \$66.1
billion proposed budget, including school aid, medicaid,
welfare, environment, higher education, mental health and
prisons (M)

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Article Text:

The Governor's \$66.1 billion proposed budget would raise state spending 2.2 percent, and negotiations with the Legislature are almost certain to produce a final package that is larger. That is a marked contrast with last year, when Mr. Pataki proposed to leave state spending essentially unchanged. The Governor's plan would make a sizable cut in Medicaid spending, but most programs would see modest increases.

SCHOOL AID

Governor's plan: \$10.522 billion.

Present budget: \$10.213.

Percent change: up 3.0

Of the \$309 million increase in school spending, \$185 million would go to New York City schools. Mr. Pataki described this as a long-term effort to raise per-student aid to the city to the statewide level.

The Governor also proposed to end the current practice of paying districts additional money for each student in special education. That, he said, gives administrators an incentive to push students into such programs. Instead, he proposed to pay districts based on the statewide proportion of special education students and give them more freedom in spending that money.

The idea has been endorsed by New York City schools officials, who say it would move misclassified students out of special education. But it could mean less aid for city schools, which have a high proportion of special education students. The Governor also wants to double spending on textbooks and triple spending on computers over five years. In addition to the added school aid, Mr. Pataki would allocate \$110 million to local districts to make up for lost property tax revenue, under the first installment of his multiyear plan to cut those taxes.

MEDICAID

Governor's plan: \$25.4 billion.

Present budget: \$27.5 billion.

Percent change: down 7.4

Factoring in the growth that Medicaid would experience next year if the program were not changed, the Governor's budget represents a \$913 million

cut in state spending from this year. When matching Federal and local contributions are calculated, that means \$2.1 billion less next year for hospitals, nursing homes and home care providers.

For nursing homes and home care providers, a complex reimbursement system based on specific services and the relative health of patients would be replaced, in most cases, by set fees for each recipient. State officials say that this would give New York's nursing homes, which are among the nation's most expensive, incentives to lower their costs, because they would be allowed to keep any Medicaid payments they did not spend. Nursing home reimbursement rates would be frozen, and there would be a moratorium on most appeals of those rates.

The Governor would lower Medicaid reimbursement rates for hospitals, eliminate reimbursement for costly machinery like magnetic resonance imaging devices, limit Medicaid payment for psychiatric stays to 60 days, and limit reimbursement for non-acute hospital stays to 15 days.

HIGHER EDUCATION

Governor's plan: \$4.308 billion.

Present budget: \$4.374 billion.

Percent change: down 1.5

The Governor's budget calls for a \$400-a-year increase in tuition at the State and City University systems, to make up for a \$168 million drop in direct state aid to the universities. Tuition now stands at \$3,400 a year for a full-time State University student, and \$3,200 at the City University, both well above the national average for public higher education.

Mr. Pataki would cut financial aid for poor students 16 percent. It does that by reducing aid to those who also receive Federal assistance, tying aid to academic performance and recalculating eligibility to leave some students out.

WELFARE

Governor's plan: \$4.55 billion.

Present budget: \$3.852 billion.

Percent change: up 18.1

Most of the increase comes from a windfall from the Federal government, under a provision of the recent welfare restructuring law that gives more money at first to states that reduce their welfare rolls. But payments do decline in subsequent years.

Mr. Pataki would raise spending on child care for the very poor, mostly for people on welfare, by \$54 million, to \$383 million. Rather than providing day care directly through state programs, he would distribute block grants for it to states and cities. Mr. Pataki has reiterated a proposal he made last year that would reduce cash payments to families with children each year, to 55 percent of the starting level in the fifth year.

As required by the Federal law, benefits would be eliminated after five years. The Governor would raise the amount a family could earn through work without losing welfare benefits from \$670 a month to \$1,080 a month.

MENTAL HEALTH

Governor's plan: \$4.149 billion.

Present budget: \$4.194 billion.

Percent change: down 1.1

The Governor proposes to continue moving residents out of institutions that house mentally retarded people and others with developmental disabilities. Some would be moved into community homes, a trend predicted to affect 1,500 residents over three years.

The Office of Mental Health, which operates psychiatric centers and regulates private mental health institutions, would lose 790 jobs, 4 percent of the total. The Governor also proposes to begin enrolling psychiatric patients who are on Medicaid in managed care. Financing for drug and alcohol abuse treatment would rise 4 percent.

PRISONS

Governor's plan: \$1.656 billion.

Present budget: \$1.613 billion.

Percent change: up 2.7

The proposed budget would add 7,000 prison beds, a 10 percent increase. All of them would be in new, maximum-security units built at existing prisons, and all would be two beds to a cell. Mr. Pataki's previous efforts to double-bunk inmates were thwarted by Assembly Democrats and by corrections officers, who contend it would make prisons more dangerous.

ENVIRONMENT

Governor's plan: \$343 million.

Present budget: \$332 million.

Percent change: up 3.3

The budget does not reflect a vast increase in environmental spending that is about to begin, under the Clean Water/Clean Air Bond Act, approved by voters last November. Of the \$1.75 billion generated by the act, \$450 million will be available by the end of the next fiscal year. It will be spent on clean water and clean air projects, and restoration of 'brownfields,' blighted former industrial areas.

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Access No: 12025119970111 ProQuest - The New York Times (R) Ondisc
Title: Clinton Seeks Business Help On Proposal Over Welfare
Authors: James Bennet
Source: New York Times, Late Edition (East Coast)
Date: Jan 11, 1997 Sec: 1 National Desk p: 8
Length: Medium (760 words) Type: News
Subjects: Welfare reform; Job creation; Private sector; Welfare (US);
Workfare & Employment of Welfare Recipients; Labor;
Vocational Training; Child Care
Names: Clinton, Bill; Clinton, Bill (Pres)

Abstract: Pres Clinton meets with business executives at White House, exhorting them to hire welfare recipients, who face new time limits on benefits; executives say he promised Federal help with efforts like worker training, day care and transportation from the inner cities to jobs, but they anticipate little in the way of Federal money (M)

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Article Text:

WASHINGTON, Jan. 10 -- Noting that the changes he approved last year to the welfare system 'did not put anybody to work,' President Clinton embarked today on his post-election campaign to persuade business leaders to hire welfare recipients.

Citing new time limits for most adults receiving welfare benefits, Mr. Clinton said before meeting with business executives at the White House: 'Unless we can create new jobs in the private sector within the two-year time line, the welfare reform effort will not succeed.'

Beginning what his aides said would be a national effort as the changes to the welfare system take hold, Mr. Clinton today brought together executives who are already trying to hire people receiving welfare.

'My single message is the C.E.O.s of America need to step up and recognize this now is a private sector initiative,' Gerald Greenwald, the chief executive of U.A.L. Corporation, said as he left the hour-long meeting. 'The challenge really of welfare reform is the challenge in the private sector. We're the ones that have the jobs.'

He said United Airlines had hired 25,000 people in 2 1/2 years, 15,000 of them at \$7 to \$10 an hour. 'A lot of them have been coming off welfare,' he said.

Prodded by reporters asking why the White House was not leading by example, Mr. Clinton's staff is looking into hiring welfare recipients, Michael D. McCurry, the White House press secretary said today. 'We have to look very carefully at what Federal guidelines and restrictions are and whether it's possible,' he said.

After signing welfare legislation in August over the anguished objections of his liberal supporters, Mr. Clinton met with business leaders twice during his re-election campaign to urge them to hire welfare recipients, while promising to amend the new law to soften its impact. He also proposed \$3.4 billion in grants and tax incentives to help provide jobs for people being forced off welfare benefits.

Executives who attended today's meeting said Mr. Clinton had promised Federal help with efforts like worker training, day care and transportation from the inner cities to jobs. But they said they anticipated little new Federal money.

'It's not a question of money, because there's a lot of money going to

people on welfare,' said Bill Esery, the chairman and chief executive of Sprint. 'It's a question of how you can use that money in a different way to get people gainfully employed.'

Mr. Clinton also announced today that his Administration had granted waivers for three more states -- Louisiana, Maryland, and North Carolina -- to carry out their welfare plans. In all, 29 states have waivers.

While critics of the President praised him for reaching out to business leaders, some raised concerns about Federal encouragement to hire welfare recipients.

'We must proceed with caution,' Representative Bill Archer, chairman of the Committee on Ways and Means, wrote in a letter to Mr. Clinton on Thursday. 'Welfare recipients should not be given jobs at the expense of the working poor, who may not qualify for a corporate tax credit but who, nonetheless, still need jobs.'

A further obstacle to hiring welfare recipients was suggested by a question put to Mr. Clinton during his appearance today. Citing new jobs data, a reporter asked if Mr. Clinton worried that unemployment had dropped too far.

As Labor Secretary Robert B. Reich left the meeting with executives, he said: 'Even at a low unemployment rate of 5.3 percent, there are still some 7 million people unemployed and actively looking for jobs. People who are now welfare beneficiaries are likely to be at the end of any job queue. The ultimate answer is economic growth, and simultaneously, a better match between unemployed workers and jobs.'

Another question is how responsive business leaders will be to jawboning from the White House.

Mr. Reich said: 'In my experience, it's difficult to get most of the business community to rally behind a request that they do the right thing.

Unless they see a direct relationship between profit maximization and doing the right thing, they will not be persuaded.'

Some business people at the meeting today said hiring welfare recipients made good business sense. Robert Lowes, the chief executive of Burger King, said one of his franchisees recently opened stores in Federal empowerment zones in the depressed city centers in Baltimore and Detroit, employing 'a high percentage of welfare recipients.'

Those stores, he said, were averaging \$2 million in sales a year, compared with \$1.1 million for Burger King restaurants nationwide. 'It's not just the right thing to do, it's a tremendous business opportunity,' he said.

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Access No: 9300007839 ProQuest - The New York Times (R) Ondisc
Title: CHIEF URGES OVERHAUL OF CHILD CARE UNIT
Authors: KENNETH B. NOBLE
Source: The New York Times, Late Edition - Final
Date: Thursday Dec 19, 1996 Sec: B Metropolitan Desk p: 3
Length: Long (906 words)
Subjects: CHILD ABUSE; FOSTER CARE; REFORM & REORGANIZATION;
BUREAUCRATIC RED TAPE; NEW YORK CITY
Names: SCOPPETTA, NICHOLAS (COMR)

Abstract: Vowing to produce 'measurable, dramatic reductions' in cases of abuse and neglect, Nicholas Scoppetta, the head of New York City's Administration for Children's Services, on

Dec 18, 1996 proposed a series of steps to overhaul the city's child welfare system radically, including efforts to decentralize the vast bureaucracy and to reduce the amount of time children spend in foster care. But the 163-page report does not give any indication of the potential cost of the measures.

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Article Text:

Vowing to produce 'measurable, dramatic reductions' in cases of abuse and neglect, the head of New York City's long-troubled child welfare agency yesterday proposed a series of steps to overhaul the system radically, including efforts to decentralize the vast bureaucracy and to reduce the amount of time children spend in foster care.

But the 163-page report, which has been in the works for 10 months, does not give any indication of the potential cost of the measures, whether new staffing will be needed or exactly how some of the proposals would be implemented.

Nicholas Scoppetta, Commissioner of the Administration for Children's Services, said in an interview yesterday that many of the details about financing would be worked out with the Mayor's office in coming weeks. He stressed that the Mayor had been consulted at almost every stage of the review of the agency's operations and that he strongly supported the final report.

But some child welfare experts voiced concern that, though the plan was conceptually grand, it was scant on details.

'None of these proposals are going to make any difference unless they are very specific and concrete,' said Marcia Lowry, executive director of Children's Rights Inc., a legal advocacy organization for children.

'New York City has been among the most backward places in the country in actually implementing many of its goals. So any plan that's going to make a difference to children has to spell out exactly how it intends to accomplish those differences.'

In a low-key but stern indictment of the agency, the report chronicles a long history of chaotic bureaucracy, of managerial inertia and of overworked and undertrained caseworkers operating in a culture of 'defeatism.'

'Bitterness and cynicism are widespread,' the report said. 'For many years, agency employees have felt that they were not respected by those in authority or the media: they felt that a lack of resources and no advances in pay were also signs of disrespect.'

Mr. Scoppetta was similarly scathing in his assessment of the agency, which he joined last February, describing the organization as in shambles. 'It was terrible,' he said. 'There was no management at all at the high levels.'

Of his plan to overhaul the agency, Mr. Scoppetta said: 'There wasn't a question of cleaning house. It was a question of building a house for the first time.'

To be sure, many of the problems highlighted in the report have been known for years. The city has been promising for more than a decade, for instance, that its computers would soon share child abuse data with the state, but the systems are still incompatible.

Most notable among the report's recommendations is the plan for decentralizing the child protection system by forming neighborhood-based networks.

In theory, community-based organizations -- churches and synagogues, medical centers and schools -- are likely to know more about a child's neighborhood and family environment than the fragmented, central

bureaucracy. Intervention by neighborhood social workers familiar with the family itself may also be less threatening than that by workers from a remote bureaucracy.

For the first time, the agency also intends to institute a case-conference system in which everyone involved in the decision to remove a child from a dangerous household -- including relatives, teachers, doctors, clergy and police -- will meet to debate a course of action within 72 hours after an investigation has begun.

Another goal of the plan is to reduce sharply the amount of time a child spends in foster care before a permanent home can be found. Currently, it takes the agency four and a half years on average to find permanent homes for children in foster care. Mr. Scoppetta said he hoped to reduce the median foster-care stay to 18 months by speeding up the adoption process.

Many advocates for children praised the broad outlines of the report, which were disclosed to senior administration officials and some welfare advocates in recent days.

Barbara Blum, a senior fellow at Columbia University's National Center for Children in Poverty, applauded Mr. Scoppetta's efforts to overhaul the troubled agency.

'I'm very much impressed,' she said. 'By emphasizing the importance of neighborhood placement of these services, the report is quite forward thinking.'

Mark Green, the city's Public Advocate, made a similar point, calling the report a 'long stride in the right direction,' particularly its focus on neighborhood networks.

While the plan omits details about financing, it contains concrete targets for many of its goals. For example, effective March 1, 1997, when a child enters foster care, caseworkers will simultaneously begin preparing the extensive paperwork required for adoption in case it proves impossible to reunite the child with his or her family.

The report also sets specific dates for measures designed to improve morale and productivity among the agency's staff -- for instance, making cellular phones available to field workers by next April 1 and installing voice mail by July 1.

Aside from numerous financial questions, Mr. Scoppetta will also likely face opposition to many of the recommendations from the union that represents child caseworkers. For example, the union is expected to oppose any financial incentives, some based on merit instead of seniority, offered only to child welfare workers.

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Access No: 9300005583 ProQuest - The New York Times (R) Ondisc
Title: QUIET NEW YORK WELFARE EXPERIMENT HAS HAD MIXED SUCCESS
Authors: RAYMOND HERNANDEZ
Source: The New York Times, Late Edition - Final
Date: Monday Dec 9, 1996 Sec: B Metropolitan Desk p: 1
Length: Long (1582 words) Illus: Graph
Subjects: WELFARE (US); NEW YORK STATE
Names: PATAKI, GEORGE E (GOV); CUOMO, MARIO M

Abstract: New York Gov George Pataki's proposal to enact the biggest changes in New York's welfare system in six decades borrows from an experiment that was initiated by his predecessor,

Mario Cuomo, and has been quietly conducted in counties across the state with varying degrees of success.

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Article Text:

Gov. George E. Pataki's proposal to enact the biggest changes in New York's welfare system in six decades borrows from an experiment that was initiated by his predecessor, Mario M. Cuomo, and has been quietly conducted in counties across the state with varying degrees of success.

Begun in 1988, the Child Assistance Program, known as CAP, has tried to lure welfare recipients to work, even in part-time or low-paying jobs, by allowing them to keep large portions of their benefits until they make enough to support themselves.

But experts say it is far from clear that the program is a permanent answer to welfare dependency. Indeed, Mr. Pataki himself is not entirely convinced that the current approach alone will work. His plan not only dangles a financial carrot, but also wields a stick: the prospect of sharply reduced benefits over five years, cuts that can be made up only by working longer hours.

Mr. Pataki's aides contend that such changes are essential, since the new Federal welfare law that took effect in October ends welfare benefits after five years. Time, they say, is of the essence.

'People are not moving off welfare considerably under CAP,' said Dan Hogan, a spokesman for the State Department of Social Services. 'If you just left CAP as CAP, in five years people would just fall off the cliff.'

That has mobilized stiff opposition from advocates of the poor who have otherwise lauded Mr. Pataki, a Republican, for deciding to model part of his plan after the one of Mr. Cuomo, a Democrat. They contend that the current program is widely regarded as a model for getting welfare recipients to take jobs, if not to become entirely self-sufficient.

Indeed, the experimental program has produced noteworthy results in the 14 counties participating in it. A recent study found that people in the program make 20 percent more in wages, or an additional \$2,600, than those enrolled only in the main welfare program, known as Aid to Families With Dependent Children, which also serves single parents with children.

The Governor's critics further contend that the cuts he has proposed undermine any incentives to work that might be created by allowing recipients to keep greater portions of their salaries.

Indeed, in Ulster County, a single parent of two in the CAP program who makes \$650 a month would see her total household income, including cash grants, reduced under the Governor's plan. Under CAP the family would get \$962 a month, plus \$350 in cash for child care. Under the Governor's proposal it would get \$916, even before the first of the benefit cuts took effect, according to Barbara Weiner, a lawyer with the Greater Upstate Law Project who did an analysis of the Governor's bill.

'The benefits end up being marginal,' said Dennis Tompkins, a spokesman for the State Comptroller, H. Carl McCall.

Other states, including New Jersey, have used programs like New York's to lure people into jobs. In Illinois, for instance, 20 percent of the state's parents who receive welfare are employed today, compared with 6 percent in 1993, when officials began allowing recipients who work to keep a larger share of their welfare grants.

'It makes people financially better off by working than they would be if they only collected welfare checks,' said John M. Bouman, the director of the Poverty Law Project in Chicago.

Consider the case of Edna Barley, a mother of two from Kingston, N.Y., who long felt trapped on the welfare rolls for the same reason many other single mothers do: the entry-level jobs that were available just did not

pay enough to live on.

But her outlook changed four years ago, she said, when she voluntarily joined CAP. 'It gave me the chance to work myself off of welfare,' said Ms. Barley, who now works as a school bus driver and is no longer collecting welfare benefits. 'Suddenly, I felt like I had a few more options.'

In New York, the program was launched eight years ago in seven counties, then expanded to seven more. The idea was to help women who might otherwise be long-term welfare clients become independent by providing them a safety net of cash grants and other benefits like child care while they tried to move into the work force.

The program relies on a Federal exemption from stringent rules governing Aid to Families With Dependent Children. Those rules have made it virtually impossible for welfare recipients to take jobs without losing chunks of their cash grants and other benefits like child care, no matter how temporary or low-paying their jobs were. For example, a recipient who holds a job for four months loses a dollar in welfare benefits for every dollar in wages.

By contrast, people who enroll in New York's program find their welfare grants reduced gradually after they take jobs -- between 10 cents and 67 cents for every dollar of earnings until their family income reaches 150 percent of the Federally defined poverty level, which is \$12,980 a year, or \$1,082 a month, for a family of three.

Furthermore, recipients can actually make more than they would solely on public assistance by taking low-paying jobs and supplementing their wages with modestly reduced cash grants and other welfare benefits.

For example, a woman with two children who is supported only by welfare would receive \$916 a month in food stamps, Federally provided child support payments and cash. But that same woman under CAP could have as much as \$1,312 in monthly income by taking a part-time job paying \$650 a month -- 25 hours a week at \$6.50 an hour, say -- and combining that salary with a portion of her welfare benefits.

That has been a powerful work incentive for single mothers who say the program has given them the means and the self-esteem to combat lifetimes of welfare dependency.

Darcy Barris, a divorced mother of four children, said that when she lived in California she saw her public assistance benefits cut soon after she took a low-paying job as a telemarketer. She eventually had to quit, she said, because her salary simply did not cover monthly expenses like child care and rent.

Ms. Barris figures she would have been ensnared in the welfare system if she hadn't packed up and moved to Kingston, where Ulster County social service workers told her she could take a part-time job as a cashier at the local supermarket and keep part of her public assistance benefits.

'Let's face it,' said Ms. Barris, who still collects some public assistance benefits while working part time. 'Most people on welfare don't have a great many job skills. We need time to get on our feet and provide for ourselves.'

The program has also produced savings for the state. While the program spent an additional \$251 per household for administrative costs like intensive case management, the state saved \$2,562 per household because of reduced cash grants and income taxes paid by the welfare recipients, among other things, according to state officials.

But there are limits to the effectiveness of the incentives that the program provides to welfare recipients. Experts say that the program's effect has varied from county to county, depending largely on regional job markets and how well the program is administered locally. For example, of the 12,000 people eligible for the program in Monroe County, which includes Rochester, 1,266 enrolled. By contrast, only 144 out of 14,000 candidates joined the program in downtown Brooklyn.

Nor does the program insure that welfare recipients become completely self-reliant, as its staunchest supporters hope. Experts say it is still far from clear how many graduates of programs like CAP wind up back on the welfare rolls after losing decent-paying jobs, or simply remain in such programs indefinitely, combining part-time salaries with modest welfare grants to get by.

That raises a critical question: How long should recipients be allowed to keep both their benefits and their jobs? A year? Two years? Indefinitely, as the current program allows? This has become a matter of concern to state officials who have proposed gradually cutting cash benefits to welfare recipients over five years to prod them into longer hours and more permanent jobs.

That proposal calls for reducing monthly benefits by 10 percent after a welfare recipient has been on the rolls for 18 months, job or no job. Benefits would then be cut in stages during the next three years, for a total reduction of 45 percent. After five years, families would be dropped from the rolls entirely, as mandated by the Federal welfare law that took effect in October.

Aides to Mr. Pataki said their plan would offset the sharp benefit cuts by letting families keep more earnings from jobs before welfare grants begin to be cut dollar for dollar.

Brian Wing, the Acting Commissioner of the Department of Social Services, said the benefit cuts, combined with the chance for welfare recipients to keep more of their earnings, 'should encourage people to work sooner rather than later.'

But advocates for the poor called that approach punitive. They said that the reason people remained stuck in the program, not to mention welfare, had nothing to do with lack of ambition but rather the scarcity of decent-paying jobs.

As Susan Antos, a lawyer with the Greater Upstate Law Project, said: 'CAP provides a cushion in a volatile labor market like ours. So long as people are paid salaries that don't pull them out of poverty, the state should provide incentives for them to keep working.'

Caption:

Graph: 'CASE STUDIES: From Welfare to Work' shows monthly income for a single parent with two children in Ulster County, N.Y., paying \$400 a month rent, under various situations. (Sources: Ulster County Department of Social Services; Upstate Law Project) (pg. B5)

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Access No: 9300164483 ProQuest - The New York Times (R) Ondisc
Title: WELFARE RULES INTENSIFY NEED FOR DAY CARE
Authors: JENNIFER PRESTON
Source: The New York Times, Late Edition - Final
Date: Monday Nov 11, 1996 Sec: B Metropolitan Desk p: 1
Length: Long (1143 words) Illus: Photo
Subjects: CHILD CARE; WELFARE (US); FEDERAL AID (US); WELFARE
RECIPIENTS, EMPLOYMENT OF; NEW JERSEY; NEW YORK STATE

Abstract: The new federal welfare law is creating a huge demand for subsidized child care, setting up an intense competition

between working poor families and welfare recipients who are required to work for their benefits. With a limited number of child-care openings available, governments across the country are grappling with how to make room for children of more welfare families without displacing families who now receive day care subsidies.

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Article Text:

TRENTON, Nov. 10 -- The new Federal welfare law is creating a huge demand for subsidized child care, setting up an intense competition between working poor families and welfare recipients who are required to work for their benefits.

With a limited number of child-care openings available, governments across the country, including New Jersey's and New York's, are grappling with how to make room for the children of more welfare families without displacing families who now receive day care subsidies.

Almost two-thirds of the 1.5 million children now in federally subsidized child care nationwide are from working poor families, Federal officials said. The remaining slots are filled by children on welfare whose families are participating in job-training, education or work-related programs.

Although more Federal money is available for day care under the new welfare rules, state governments say they will be pressed to meet this increased demand. Working poor families were never guaranteed child-care assistance. But many states, including New Jersey, have used state as well as Federal dollars to provide some subsidies. Most states have long waiting lists.

'If you want successful welfare reform, and you want low-income families to work, you need supportive child care,' said Helen Blank, director of the child care and development division at the Children's Defense Fund. 'And if you want low-income families who are working not to fall back on welfare, you need a strong child-care option. Because of the huge new demand, you may see families with limited choices, and most of the choices will not allow them to choose the child care that either helps them or meets their children's developmental needs.'

To help provide enough places for welfare recipients who are required to work for benefits beginning next year, Wisconsin has already rewritten its child-care rules to eliminate subsidies for many of the working poor. For a family of three, Wisconsin reduced eligibility this year to a maximum of \$21,420 a year, from \$27,996.

In New Jersey, 15,000 working poor families are on waiting lists for one of the state's 30,000 subsidized slots. Gov. Christine Todd Whitman promises to increase spending for child care, but not for the working poor. Spending for child-care slots for welfare recipients, who would be enrolled in the Governor's Work First program, will increase to \$107 million in the year 2000, from \$61 million this year.

Already this year, working poor families in New Jersey have lost approximately 500 subsidized child-care slots because of Federal cutbacks in the Social Services block grant. New Jersey has used the grant to subsidize almost 12,000 child-care slots a year for low-income families. Families have been notified they have three months to find alternative care.

Under Governor Whitman's welfare proposal, New Jersey would lower income eligibility slightly. A family of three with income of \$25,180 or less would qualify for child-care subsidies, compared with a current maximum income of \$26,206 for the same size family.

But Jacqueline Holmes, 31, a city clerk in Camden who makes \$400 a

week, would be affected, like many other working poor people, because the state hopes to set up a system giving preference to welfare recipients. Ms. Holmes is the mother of two children, 19 months and 6 years old, and she relies on subsidized day care while she works. Next, the state would give preference to working poor families whose income is within 150 percent of the poverty level, or \$18,885 for a family of three. That means families making \$18,885 to \$25,180 will remain eligible for subsidies but are likely to remain on the waiting list longer.

'We are trying to put as many people in the tent as possible,' said James W. Smith Jr., assistant commissioner for the State Department of Human Services. 'We will never have enough money to give everybody child care, and we probably never will. We are trying to spread our dollars as far as possible and include as many people as we can.'

Ms. Holmes would still be eligible under New Jersey's proposed regulations, but would probably wind up on a long waiting list. She says she cannot afford the \$110 weekly rate of the private center she now uses without the \$70 child care subsidy.

'At one point, it was almost not worth working,' Ms. Holmes. 'Finally, I got on the waiting list and got a slot. Unless I knew he was being well taken care of, I wouldn't be comfortable working. I would always be in a tizzy.'

Although an additional \$567 million in Federal money is being distributed among states this year under the new child-care block grant, child-care advocates say the new demand is expected to outstrip any added day care space.

Michael Kharfen, a spokesman for the United States Department of Health and Human Services, countered that states should be able to meet the needs of both groups. 'Now that the states have more resources and more flexibility,' he said, 'there really is an opportunity here for the states to meet the needs of families who are moving from welfare to work and for low-income working families.'

In New York, the Pataki administration is still drawing up a welfare proposal to comply with the new Federal law, and no decisions have been made on how to meet increased demand for child care.

'There are important questions and challenges to figuring out how you balance the needs of two deserving populations,' said Suzanne Z. Bennett, New York State's child care administrator, who is now reviewing income eligibility requirements for child care subsidies. 'We are talking about fundamentally redesigning a system, and we want to make sure we do it right.'

To help create new child-care slots, Wisconsin is also creating a new group of day-care providers, called provisional providers, who would not need to meet all the state's training requirements and would receive lower subsidy payments from the state. Child-care advocates worry that poor families will turn not only to the provisional providers, but also to untrained workers who offer the least expensive care.

'We don't think poor people are going to have good choices,' said Elinor Dockery, who oversees programming at Encompass Child Care Inc., a nonprofit organization operating eight child-care centers in the Green Bay, Wis., area. 'Currently, they are able to make choices among child care centers, or family child care that is highly regulated.'

'What are these people going to do? The grandmothers, the aunts and the uncles are out working, too. Who is going to be taking care of the children?'

In Camden, Ms. Holmes said she hoped she would be able to keep her child-care assistance. 'Your child's life has no dollar value,' she said. 'You have to take care of them. And I need to work. I have never been on welfare, and I never want to be.'

Caption:

Photos: The new Federal welfare law is creating a huge demand for subsidized child care. At Respond, a child care center in Camden, N.J., Velma Pritchett read to a group of children while holding another on her lap; Jacqueline Holmes of Camden relies on day care subsidies so she can work. Under the new rules, she would probably be put on a waiting list. (Photographs by Ozier Muhammad/The New York Times) (pg. B7)

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Title: SEVERAL LARGE EMPLOYERS JOIN FORCES TO SOLVE PROBLEMS OF
LOW-WAGE WORKERS
Authors: Sue Shellenbarger Staff Reporter of The Wall Street Journal
Source: The Wall Street Journal
Date: Friday Apr 26, 1996 Sec: A p: 7
Length: Medium (644 words)

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Article Text:

As politicians battle over welfare reform and raising the minimum wage, 28 of the nation's biggest employers are banding together to find solutions on a different front to the problems of the 2.5 million low-wage workers they employ.

The group, called simply the Employer Group, is sharing solutions for explosive turnover rates of 100% or more, high absenteeism and child-care problems among low-wage workers. Members, including Marriott International Inc., J.C. Penney Co., Aetna Life & Casualty Co., Cigna Corp., ConAgra Inc., Levi Strauss Associates Inc., PepsiCo Inc.'s Pizza Hut unit, Prudential Insurance Co. of America and the U.S. General Services Administration, met for the second time last week in New York.

The meetings mark the first joint recognition by employers that the social and family problems of unskilled, low-income workers are assuming major implications for productivity in the service industries that employ them, from retailing and hotels to food and financial services.

'In the past, some companies have regarded the lower-wage worker as, one, disposable, and two, invisible. That is 100% not the case with the employers represented in this group,' says Donna Klein, director of work-life programs for Marriott International, and co-chair of the group. Jay Hundley, a vice president and director of personnel at J.C. Penney and the other co-chair, adds that lower-wage workers' 'impact on our results is absolutely astronomical.'

The group isn't a response to Congressional proposals to raise the minimum wage. The Families and Work Institute, a nonprofit New York research and consulting concern, began organizing the group with Marriott's help after a 1993 national workforce survey by the institute showed a marked trend toward a two-tier workforce. The study showed workers earning less than \$8 an hour, or \$15,000 a year, enjoying far less access to child-care, elder-care and health benefits than higher-paid workers. The group is funded by two foundations, Pew Charitable Trusts of Philadelphia, and Carnegie Corp. of New York.

A major focus is sharing 'best practices,' with an emphasis on possible collaborations between employers or employers and government. Some members already run their own welfare-to-work programs, training recruits in such basic skills as dressing appropriately and getting to work on time.

Marriott is rolling out nationwide a new kind of employee-help hotline staffed by multilingual counselors trained to handle a wide range of dependent-care, family, social and immigration problems. Marriott says it's getting a five-to-one payback on the service in the form of reduced turnover, absenteeism and tardiness.

Others are developing new health and child-care programs. ConAgra Refrigerated Foods Cos., a ConAgra unit, is reducing infant-health and childbirth problems among meatpacking workers by making maternity benefits contingent on good prenatal-care practices. The company also is collaborating with Head Start, the federal preschool program, to provide subsidized child care for some shiftworkers, a program that has cut

turnover among users by 50%, says Charles Romeo, director of employee benefits at the ConAgra unit.

Employers also discussed such ideas as sharing seasonal workers. Some members hope to lobby as a group on such issues as welfare reform, including child-care subsidies. Congress has lacked 'input from a group of employers representing low-wage earners,' says J.W. Marriott Jr., chairman and president of Marriott International. 'A lot of legislation is made in a vacuum because low-wage earners have no lobbying force that speaks for them.'

Why not just pay people more? 'If we did we'd be less competitive,' Mr. Marriott says. 'Then we'd have to start downsizing and laying people off. Our objective is to pay a competitive wage and to do everything we can to help people help themselves,' he says. 'To the extent we can help people who have not worked before to become good productive workers, we're going to start solving crime problems, marital problems, abuse problems,' Mr. Marriott adds. 'To the extent that we can help make these problems go away, we're all going to benefit.'

Access No: 97780739 ProQuest - The Washington Post Ondisc
Title: COVER THE KIDS
Authors: Edward M. Kennedy; John F. Kerry
Source: Washington Post, Final Edition
Date: Thursday Mar 6, 1997 Sec: A OP/ED p: 21
Length: Long (857 words) Type: Op-Ed
Subjects: Health care policy; Health insurance; Children & youth;
Federal legislation

Abstract: In a recent column [op-ed, Feb. 11], James K. Glassman attacked our legislative proposal to help American families purchase health insurance for their children, and said the real problem is with middle-class families that could easily afford to insure their children but choose not to. According to Glassman, 'some parents would rather take their chances and pay out of their own pockets when a child breaks an arm. That's their decision.' He urges a combination of tax reforms to encourage more choices in the insurance marketplace, and says private charity will eagerly fill in the gap 'if government gets out of the way.'; The problem Glassman tries to trivialize is in fact not who pays to set a broken arm but whether millions of American children get the regular health care they need - and deserve. Seventeen industrial countries do better at preventing infant mortality than the United States does. A quarter of U.S. children do not receive basic childhood vaccines on a timely basis. Ten and a half million children 18 or younger have no health insurance - one in every seven. Almost all uninsured children are members of working families that cannot afford to buy their children coverage.; Uninsured children are less likely to see a doctor regularly. Uninsured children often go untreated for recurrent ear infections, asthma or other chronic conditions. Periodic physical examinations are out of reach for millions of children, even though such examinations can identify and correct problems that could cause a lifetime of disability and pain.

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In a recent column [op-ed, Feb. 11], James K. Glassman attacked our legislative proposal to help American families purchase health insurance for their children, and said the real problem is with middle-class families that could easily afford to insure their children but choose not to. According to Glassman, 'some parents would rather take their chances and pay out of their own pockets when a child breaks an arm. That's their decision.' He urges a combination of tax reforms to encourage more choices in the insurance marketplace, and says private charity will eagerly fill in the gap 'if government gets out of the way.'

The problem Glassman tries to trivialize is in fact not who pays to set a broken arm but whether millions of American children get the regular health care they need -- and deserve. Seventeen industrial countries do better at preventing infant mortality than the United States does. A quarter of U.S. children do not receive basic childhood vaccines on a timely basis. Ten and a half million children 18 or younger have no health insurance -- one in every seven. Almost all uninsured children are members

of working families that cannot afford to buy their children coverage. Without the Medicaid expansions of the past five years, the number of uninsured would be far higher. More and more employers are dropping health insurance coverage for spouses or dependents, or even for employees themselves. More than 400,000 pregnant women a year are uninsured and often lack access to needed prenatal and postnatal care.

Uninsured children are less likely to see a doctor regularly. Uninsured children often go untreated for recurrent ear infections, asthma or other chronic conditions. Periodic physical examinations are out of reach for millions of children, even though such examinations can identify and correct problems that could cause a lifetime of disability and pain.

Parents should not have to live in fear that the loss of a job or an employer's failure to provide coverage will deny their children the health care they need. Insurance coverage for children is the next logical step toward the goal of coverage for all.

Our program would put health care for children within the financial reach of every family. It would impose no new government mandates, and would encourage family responsibility by offering parents the help they need to buy affordable health insurance for their children. The plan would be administered by the states, under federal guidelines to guarantee that the coverage is adequate and meets the special needs of children, including good preventive care and prenatal care.

Under our proposal, the federal government would provide grants to the states to help families with incomes under 300 percent of the poverty level -- \$39,000 a year for a family of three -- in purchasing private health insurance for their children if they do not already receive coverage under an employment-based plan or Medicaid. Families with incomes under 185 percent of the poverty level -- \$24,000 a year -- would receive a full subsidy to pay for premiums. Those with incomes between 185 and 300 percent of the poverty level would get assistance on a sliding scale. Assistance would also be provided to uninsured pregnant women.

Glassman feels that families in these income ranges should buy their own health insurance. His notion that a working single mother with two children and an income of \$24,000 can afford to pay approximately 10 percent of her pre-tax income for insurance coverage and still manage the cost of food, rent, utilities, child care, clothing, transportation and other basic necessities shows how out of touch he is with the realities of daily life for most low- and moderate-income working families.

Almost 90 percent of uninsured children live in families with incomes under 300 percent of the poverty level. Two-thirds have incomes below 185 percent. Uninsured families with higher incomes would also benefit, since they would be more likely to buy such coverage if policies designed for children were available. Under our plan, states would contract with private insurance companies to offer children's coverage to any family that wants it.

The basic principles of our proposal are neither novel nor untested. Fourteen states have similar programs. Typically, a state contracts with a private insurance company to offer coverage for children and provides subsidies for families that cannot afford to buy coverage on their own. In Massachusetts, an existing program was expanded last year so that most families are now eligible for financial assistance to buy insurance. In 17 additional states, Blue Cross/Blue Shield offers children's-only coverage, with subsidies for low-income families. These initiatives provide a solid base on which to build an effective federal-state-private partnership.

The cost of the program can be covered by an increase in the cigarette tax, which would have the added benefit of reducing smoking among teenagers.

Our plan would not guarantee that every child has insurance coverage -- but it would give all families the opportunity to obtain such insurance at a cost they can afford. It is a practical response to a major challenge

facing vast numbers of families.

The writers are Democratic senators from Massachusetts.

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Access No: 96764512 ProQuest - The Washington Post Ondisc
Title: WISCONSIN MOVES TO COVER WELFARE'S DAY-CARE COSTS; LANDMARK
REFORM PROGRAM GETS \$25 MILLION INJECTION
Authors: Judith Havemann; Barbara Vobjeda, Washington Post Staff
Writers
Source: Washington Post, Final Edition
Date: Friday Dec 13, 1996 Sec: A SECTION p: 2
Length: Long (773 words) Type: News National
Subjects: Welfare reform; Day care centers
Names: Thompson, Tommy G

Abstract: Wisconsin Gov Tommy G. Thompson (R) said Dec 12, 1996 that
he will sharply increase spending on day care for welfare
recipients moving into the work force in an attempt to
ensure the success of his ambitious reform program.

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Article Text:

Wisconsin Gov. Tommy G. Thompson (R) said yesterday that he will sharply increase spending on day care for welfare recipients moving into the work force in an attempt to ensure the success of his ambitious reform program.

Yesterday's infusion of an additional \$25 million was seen by many social policy specialists as a signal that providing child care for welfare recipients may be a more costly proposition than many states had anticipated. With the additional funds, along with already projected spending increases, the amount of money Wisconsin allocates to day care will more than triple to \$185 million by the time its plan is fully operational next September. Wisconsin is frequently offered up by both Democrats and Republicans as evidence that welfare reform can work, largely because its caseloads have plunged 41 percent in the last three years.

But its reforms have also been among the most costly in the country, and yesterday's action comes as further evidence that even the most emulated states will face financial challenges in their rush to move welfare recipients into the work force.

The initiative is also a fresh sign of the fervent battles occurring in many states around the country between the working poor and newly working welfare recipients as they compete for a limited number of government-subsidized day-care slots.

'The governor has always scoffed at the fears of the Washington elite that governors will not take care of their children and their poor families under welfare reform,' said Kevin Keane, Thompson's press secretary. 'This underscores his commitment to ensuring that our welfare replacement program is going to work and will provide better assistance for the needy.'

Under the governor's initial plan, families on welfare would have been required to pay up to 46 percent of their income for child care. The

governor proposed to make that formula far more generous yesterday by asking the legislature to require that recipients, no matter how many children they have, pay no more than 16 percent of their paycheck toward day care.

As a result of the change, Thompson said, Wisconsin families will be guaranteed 'that every mother who moves from welfare into the work force will have affordable quality child care for her child.'

He called the problems with the initial proposal 'speed bumps . . . on the way to replacing 60 years of failed welfare policy. I made the commitment that when we truly met those speed bumps, we would address them.'

Child care advocates took issue with Thompson's 'speed bump' analogy, characterizing the state's efforts to revamp its child care program as a response to an uprising among critics of the original plan.

'There was an outcry from the public, parents were calling legislators, crying that they would have to take their children away from caregivers, centers would have to close because they couldn't afford to pay, and there would be a huge disruption across the state,' said Barbara Reisman, executive director of the Child Care Action Campaign, an advocacy group in New York.

Reisman and others say that the original plan unrealistically expected welfare recipients to devote too much of their paychecks for the care of their children while they were at work.

Thompson said that, beginning immediately, the state will spend \$20 million on the new funds on the working poor to help ensure that they aren't squeezed out as welfare recipients are required to work. The remaining \$5 million will be used to increase the overall supply of day-care slots around the state and to improve the quality of care being offered.

The Congressional Budget Office has estimated that the \$20 billion available in the welfare act for child care falls \$1.4 billion short of the projected need over six years. But this does not take into consideration the vast need for child care subsidies by poor families who are already working at the minimum wage or only slightly above, child advocates say.

In Ohio, a battle over child care funding was ignited last month in Hamilton County, one of the state's largest, when officials declared they would have to eliminate child care subsidies to 1,450 working poor families because of the need to provide child care to welfare recipients who move into jobs.

In Milwaukee, there were more than 4,000 children from poor working families on the waiting list for day-care slots, according to a study done last winter.

One of the authors of that study, the University of Wisconsin's John Pawasarat, took some hope from yesterday's announcement. 'The governor is clearly willing to make an investment in child care,' he said, 'but whether it will be enough is not clear.'

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Access No: 96759509 ProQuest - The Washington Post Ondisc
Title: CLOSE TO HOME - SETBACK FOR DAY CARE
Source: Washington Post, Final Edition
Date: Sunday Nov 17, 1996 Sec: C OP/ED p: 8
Length: Medium (502 words) Type: Letter

Illus: Illustration

Copyright The Washington Post

Article Text:

A panel appointed by Virginia Gov. George Allen recently came up with a shortsighted solution to the shortage of day-care slots in the state: lowering the educational requirements of day-care workers and increasing student-teacher ratios.

Yes, Virginia has a shortage of day-care slots, but the answer to the problem shouldn't be to 'dumb down' the requirements for people to become caretakers of our children. If the state were short of doctors, would it lower the requirements for getting a medical license? The governor's panel recommends that neither day-care teachers nor the directors of day-care centers be required to hold a high school diploma. Panel Chairman Sharon Jones, who runs four day-care centers in the state, says that 'theory' -- meaning education -- is fine, but that 'hands-on experience is what really counts.'

She also claims that the proposals are aimed at streamlining burdensome regulations to increase the supply of teachers. But with the intellectual, emotional and physical development of preschoolers at stake, isn't requiring that their caretakers have at least a high school degree a simple demonstration of responsibility and basic competency and not a burdensome regulation?

Minimally qualified teachers and larger classes will mean poorer care for children no matter what spin proponents of the proposal employ. It is unsettling (and perhaps disingenuous) when an educator, such as Jones, advocates larger preschool classes even as research shows that cutting class sizes significantly bolsters the physical, verbal and social development of children.

The governor's panel is charged with advocacy for children, but political expediency seems to have led it to embrace an alternative goal. That goal seems to be to create jobs and child care for welfare recipients at a minimal cost to the taxpayer -- in other words, welfare reform disguised as a solution to day-care shortages.

Welfare reform is essential, but it should not be achieved through poorer care for children. Moreover, even if we take the panel at its word -- that it is simply solving a problem of day-care shortages -- children are still asked to pay the price. And of course, it is the poorer children who will be stuck in substandard day-care centers, when they, above all others, most desperately need the best educational opportunities we can offer.

Perhaps the state needs to find money in its budget to educate and train welfare recipients to get them back to work. Certainly, it would see a return on such an investment.

Perhaps day-care centers need to raise wages to attract and keep more and better educated teachers. And perhaps taxpayers and day-care centers need to work together to provide scholarships to poor children so that they can attend quality day care while their parents work.

Preschoolers cannot lobby for themselves, but adults who care about them can when the governor's panels holds public hearings on this proposal early next year. Anyone who cares about the next generation of Virginians should make it a point then to speak out on behalf of the children.

-- Tiffany Booker Kessler

Sen. Ashcroft

FULL TEXT OF BILLS

105TH CONGRESS; 1ST SESSION
IN THE SENATE OF THE UNITED STATES
AS INTRODUCED IN THE SENATE

S. 82

1997 S. 82; 105 S. 82

< =1 > Retrieve Bill Tracking Report

SYNOPSIS:

A BILL To amend the Internal Revenue Code of 1986 to provide a credit against tax for employers who provide child care assistance for dependents of their employees, and for other purposes.

DATE OF INTRODUCTION: JANUARY 21, 1997

DATE OF VERSION: JANUARY 31, 1997 -- VERSION: 1

SPONSOR(S):

Mr. KOHL introduced the following bill; which was read twice and referred to the Committee on Finance

TEXT:

* Be it enacted by the Senate and House of Representatives of the United*

*States of America in Congress assembled, *

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Care Infrastructure Act of 1997".

SEC. 2. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

(a) IN GENERAL.-Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45D. EMPLOYER-PROVIDED CHILD CARE CREDIT.

"(a) IN GENERAL.-For purposes of section 38, the employer-provided child care credit determined under this section for the taxable year is an amount equal to 50 percent of the qualified child care expenditures of the taxpayer for such taxable year.

"(b) DOLLAR LIMITATION.-The credit allowable under subsection (a) for any taxable year shall not exceed \$150,000.

"(c) DEFINITIONS.-For purposes of this section-

"(1) QUALIFIED CHILD CARE EXPENDITURE.-The term 'qualified child care expenditure' means any amount paid or incurred-

"(A) to acquire, construct, rehabilitate, or expand property-

"(i) which is to be used as part of a qualified child care facility of the taxpayer,

"(ii) with respect to which a deduction for depreciation (or amortization in lieu of depreciation) is allowable, and

"(iii) which does not constitute part of the principal residence (within the meaning of section 1034) of the taxpayer or any employee of the taxpayer,

"(B) for the operating costs of a qualified child care facility of the taxpayer, including costs related to the training of employees, to scholarship programs, and to the providing of increased compensation to employees with higher levels of child care training,

"(C) under a contract with a qualified child care facility to provide child care services to employees of the taxpayer, or

"(D) under a contract to provide child care resource and referral services to employees of the taxpayer.

"(2) QUALIFIED CHILD CARE FACILITY.-

"(A) IN GENERAL.-THE TERM 'QUALIFIED CHILD CARE FACILITY' MEANS A FACILITY-

"(I) THE PRINCIPAL USE OF WHICH IS TO PROVIDE CHILD CARE ASSISTANCE, AND

"(II) WHICH MEETS THE REQUIREMENTS OF ALL APPLICABLE LAWS AND REGULATIONS OF THE STATE OR LOCAL GOVERNMENT IN WHICH IT IS LOCATED, INCLUDING, BUT NOT LIMITED TO, THE LICENSING OF THE FACILITY AS A CHILD CARE FACILITY.

Clause (i) shall not apply to a facility which is the principal residence (within the meaning of section 1034) of the operator of the facility.

"(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.-A FACILITY SHALL NOT BE TREATED AS A QUALIFIED CHILD CARE FACILITY WITH RESPECT TO A TAXPAYER UNLESS-

"(I) ENROLLMENT IN THE FACILITY IS OPEN TO EMPLOYEES OF THE TAXPAYER DURING THE TAXABLE YEAR,

"(II) THE FACILITY IS NOT THE PRINCIPAL TRADE OR BUSINESS OF THE TAXPAYER UNLESS AT LEAST 30 PERCENT OF THE ENROLLEES OF SUCH FACILITY ARE DEPENDENTS OF EMPLOYEES OF THE TAXPAYER, AND

"(III) THE USE OF SUCH FACILITY (OR THE ELIGIBILITY TO USE SUCH FACILITY) DOES NOT DISCRIMINATE IN FAVOR OF EMPLOYEES OF THE TAXPAYER WHO ARE HIGHLY COMPENSATED EMPLOYEES (WITHIN THE MEANING OF SECTION 414(Q)).

"(D) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.-

"(1) IN GENERAL.-If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer

under this chapter for such taxable year shall be increased by an amount equal to the product of-

"(A) the applicable recapture percentage, and

"(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted if the qualified child care expenditures of the taxpayer described in subsection (c)(1)(A) with respect to such facility had been zero.

"(2) APPLICABLE RECAPTURE PERCENTAGE.-

"(A) IN GENERAL.-For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

	The applicable recapture percentage is:
"If the recapture event occurs in:	
Years 1-3	
100 Year 4	
85 Year 5	
70 Year 6	
55 Year 7	
40 Year 8	
25 Years 9 and 10	
10 Years 11 and thereafter	0.

"(B) YEARS.-For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed in service by the taxpayer.

"(3) RECAPTURE EVENT DEFINED.-For purposes of this subsection, the term 'recapture event' means-

"(A) CESSATION OF OPERATION.-The cessation of the operation of the facility as a qualified child care facility.

"(B) CHANGE IN OWNERSHIP.-

"(i) IN GENERAL.-Except as provided in clause (ii), the disposition of a taxpayer's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

"(ii) AGREEMENT TO ASSUME RECAPTURE LIABILITY.-Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

"(4) SPECIAL RULES.-

"(A) TAX BENEFIT RULE.-The tax for the taxable year shall be

increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.-Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of this part.

"(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.-The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

"(e) SPECIAL RULES.-For purposes of this section-

"(1) AGGREGATION RULES.-ALL PERSONS WHICH ARE TREATED AS A SINGLE EMPLOYER UNDER SUBSECTIONS (A) AND (B) OF SECTION 52 SHALL BE TREATED AS A SINGLE TAXPAYER.

"(2) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.-Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(3) ALLOCATION IN THE CASE OF PARTNERSHIPS.-In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(f) NO DOUBLE BENEFIT.-

"(1) REDUCTION IN BASIS.-FOR PURPOSES OF THIS SUBTITLE-

"(A) IN GENERAL.-IF A CREDIT IS DETERMINED UNDER THIS SECTION WITH RESPECT TO ANY PROPERTY BY REASON OF EXPENDITURES DESCRIBED IN SUBSECTION (C)(1)(A), THE BASIS OF SUCH PROPERTY SHALL BE REDUCED BY THE AMOUNT OF THE CREDIT SO DETERMINED.

"(B) CERTAIN DISPOSITIONS.-IF DURING ANY TAXABLE YEAR THERE IS A RECAPTURE AMOUNT DETERMINED WITH RESPECT TO ANY PROPERTY THE BASIS OF WHICH WAS REDUCED UNDER SUBPARAGRAPH (A), THE BASIS OF SUCH PROPERTY (IMMEDIATELY BEFORE THE EVENT RESULTING IN SUCH RECAPTURE) SHALL BE INCREASED BY AN AMOUNT EQUAL TO SUCH CAPTURE AMOUNT. FOR PURPOSES OF THE PRECEDING SENTENCE, THE TERM 'RECAPTURE AMOUNT' MEANS ANY INCREASE IN TAX (OR ADJUSTMENT IN CARRYBACKS OR CARRYOVERS) DETERMINED UNDER SUBSECTION (D).

"(2) OTHER DEDUCTIONS AND CREDITS.-NO DEDUCTION OR CREDIT SHALL BE ALLOWED UNDER ANY OTHER PROVISION OF THIS CHAPTER WITH RESPECT TO THE AMOUNT OF THE CREDIT DETERMINED UNDER THIS SECTION.

"(G) TERMINATION.-This section shall not apply to taxable years beginning after December 31, 1999."

(b) CONFORMING AMENDMENTS.-

(1) Section 38(b) of the Internal Revenue Code of 1986 is amended-

(A) by striking out "plus" at the end of paragraph (11),

(B) by striking out the period at the end of paragraph (12),
and inserting a comma and "plus", and

(C) by adding at the end the following new paragraph:

"(13) the employer-provided child care credit determined under
section 45D."

(2) The table of sections for subpart D of part IV of subchapter A
of chapter 1 is amended by adding at the end the following new item:

"Sec. 45D. Employer-provided child care credit."

(c) EFFECTIVE DATE.-The amendments made by this section shall apply to
taxable years beginning after December 31, 1996.

LOAD-DATE: February 3, 1997

FULL TEXT OF BILLS

105TH CONGRESS, 1ST SESSION
IN THE HOUSE OF REPRESENTATIVES
AS INTRODUCED IN THE HOUSE

H. R. 899

1997 H.R. 899; 105 H.R. 899

<=1> Retrieve Bill Tracking Report

SYNOPSIS:

A BILL To provide funds for child care for low-income working families, and for other purposes.

DATE OF INTRODUCTION: FEBRUARY 27, 1997

DATE OF VERSION: MARCH 3, 1997 -- VERSION: 1

SPONSOR(S):

Ms. WOOLSEY introduced the following bill; which was referred to the
Committee on Education and the Workforce

TEXT:

* Be it enacted by the Senate and House of Representatives of the United*

*States of America in Congress assembled, *

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.-THIS ACT MAY BE CITED AS THE "WORKING FAMILIES CHILD CARE ACT OF 1997".

(B) TABLE OF CONTENTS.-THE TABLE OF CONTENTS FOR THIS ACT IS AS FOLLOWS:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Authorization of appropriations for child care for low-income working families and for child care supply shortages.

Sec. 4. Expenditures for child care service for low-income working families and for child care supply shortages.

Sec. 5. Report on access to child care by low-income working families.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Availability and affordability of quality child care is a major obstacle for working parents who struggle to remain self-sufficient.

(A) Compared to all other income groups, the working poor are the least likely to receive assistance with their child care costs.

(B) Low-income families spend 24 percent of their household income on child care, whereas middle-income families spend 6 percent of their household income on child care.

(C) 38 States have waiting lists for child care for the working poor. Among those States, Georgia has 41,000 individuals on its waiting list, Texas has 36,000 individuals on its waiting list, and Illinois and Alabama each have 20,000 individuals on their waiting lists.

(D) One survey of low-income families on a waiting list for subsidized child care found that of those families paying for child care out of their own funds, 71 percent faced serious debt or bankruptcy.

(E) Half of the States and the District of Columbia, even before the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2105) during the 104th Congress, increased the proportion of child care slots or dollars going to families on welfare, rather than to working poor families.

(2) The Congressional Budget Office estimates that there will be \$1,400,000,000 less expenditures of child care funds for working poor families as a result of the States implementing the work requirements imposed under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2105).

(3) Important types of child care are not available in certain States including infant care, school-age care, care for children with disabilities and special health care needs, and child care for parents with unconventional or shifting work hours.

(A) A 1995 State study by the Comptroller General of the United States found a shortage of child care for infants and children with special needs in inner cities, and a shortage of all types of child care in rural areas.

(B) Only one-third of the schools in low-income neighborhoods offer school-age child care, compared with 52 percent of schools in more affluent areas offering such care.

(C) Eighth-graders who are left home alone for 11 or more hours a week report significantly greater use of cigarettes, alcohol, and marijuana than eighth-graders who are not left home alone.

(D) Existing child care arrangements do not accommodate the work schedules of many working women. According to a 1995 statistic published by the Department of Labor, 14,300,000 workers, nearly 1 in 5 full-time workers work nonstandard hours, and more than 1 in 3 of those workers are women.

(E) Only 10 percent of child care centers and 6 percent of family day care providers offer child care on weekends. Yet one-third of working mothers with annual incomes below the poverty level and one-quarter of mothers with annual incomes above the poverty level but below \$25,000 work on weekends.

(F) Less than 30 percent of Head Start programs operate on a full-time, full-year basis.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS FOR CHILD CARE FOR LOW-INCOME WORKING FAMILIES AND FOR CHILD CARE SUPPLY SHORTAGES.

Section 658B of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended-

(1) by inserting "(excluding subparagraphs (E) and (F) of section 658E(c)(3))" after "subchapter",

(2) by inserting "(a)" before "There", and

(3) and by adding at the end the following:

"(b) There is authorized to be appropriated to provide child care services under this chapter

to satisfy the requirement specified in section 658E(c)(3)(E) \$1,400,000,000 for each of the fiscal years 1997 through 2002.

"(c) There is authorized to be appropriated to carry out child care activities under this chapter to satisfy the requirement specified in section 658E(c)(3)(F) \$500,000,000 for each of the fiscal years 1997 through 2002."

SEC. 4. EXPENDITURES FOR CHILD SERVICES CARE FOR LOW-INCOME WORKING FAMILIES AND FOR CHILD CARE SUPPLY SHORTAGES.

(a) REQUIRED STATE EXPENDITURES.-SECTION 658E(C)(3) OF THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 1990 (42 U.S.C. 9858C(C)(3)) IS AMENDED BY ADDING AT THE END THE FOLLOWING:

"(E) CHILD CARE FOR CERTAIN LOW-INCOME WORKING FAMILIES.-A STATE SHALL ENSURE THAT 100 PERCENT OF AMOUNTS PAID TO THE STATE OUT OF FUNDS APPROPRIATED UNDER SECTION 658B(B) WITH RESPECT TO EACH OF THE FISCAL YEARS 1997 THROUGH 2002 SHALL BE USED TO PROVIDE CHILD CARE SERVICES FOR FAMILIES WHO HAVE LEFT THE STATE PROGRAM OF ASSISTANCE UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT BECAUSE OF EMPLOYMENT, FAMILIES THAT ARE AT RISK OF BECOMING DEPENDENT ON SUCH ASSISTANCE PROGRAM, AND LOW-INCOME WORKING FAMILIES DESCRIBED IN SECTION SUBPARAGRAPH (D).

"(F) CHILD CARE SUPPLY SHORTAGES.-

"(I) IN GENERAL.-A STATE SHALL ENSURE THAT 100 PERCENT OF AMOUNTS PAID TO THE STATE OUT OF FUNDS APPROPRIATED UNDER SECTION 658B(C) WITH RESPECT TO EACH OF THE FISCAL YEARS 1997 THROUGH 2002 SHALL BE USED TO CARRY OUT CHILD CARE ACTIVITIES

DESCRIBED IN CLAUSE (II) IN GEOGRAPHIC AREAS WITHIN THE STATE THAT HAVE A SHORTAGE, AS DETERMINED BY THE STATE, IN CONSULTATION WITH LOCALITIES, OF CHILD CARE SERVICES.

"(II) CHILD CARE ACTIVITIES DESCRIBED.-THE CHILD CARE ACTIVITIES DESCRIBED IN THIS CLAUSE INCLUDE THE FOLLOWING:

"(I) INFANT CARE PROGRAMS.

"(II) BEFORE- AND AFTER-SCHOOL CHILD CARE PROGRAMS.

"(III) RESOURCE AND REFERRAL PROGRAMS.

"(IV) NONTRADITIONAL WORK HOURS CHILD CARE PROGRAMS.

"(V) EXTENDING THE HOURS OF PREKINDERGARTEN PROGRAMS TO PROVIDE FULL-DAY SERVICES.

"(VI) ANY OTHER CHILD CARE PROGRAMS THAT THE SECRETARY DETERMINES ARE APPROPRIATE."

(C) CONFORMING AMENDMENT.-SECTION 658E(C)(3)(A) OF THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 1990 (42 U.S.C. 9858C(C)(3)(A)) IS AMENDED BY STRIKING "(D)" AND INSERTING "(F)".

SEC. 5. REPORT ON ACCESS TO CHILD CARE BY LOW-INCOME WORKING FAMILIES.

(a) STATE REPORTING REQUIREMENT.-SECTION 658K(A)(2) OF THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 1990 (42 U.S.C. 9858I(A)(2)) IS AMENDED-

(1) IN SUBPARAGRAPH (D), BY STRIKING "AND" AT THE END; AND

(2) BY INSERTING AFTER SUBPARAGRAPH (E), THE FOLLOWING:

"(F) THE TOTAL NUMBER OF FAMILIES DESCRIBED IN SECTION 658B(B) THAT WERE ELIGIBLE FOR BUT DID NOT RECEIVE ASSISTANCE UNDER THIS SUBCHAPTER OR UNDER SECTION 418 OF THE SOCIAL SECURITY ACT AND A DESCRIPTION OF THE OBSTACLES TO PROVIDING SUCH ASSISTANCE; AND

"(G) THE TOTAL NUMBER OF FAMILIES DESCRIBED IN SECTION 658B(B) THAT RECEIVED ASSISTANCE PROVIDED UNDER THIS SUBCHAPTER OR UNDER SECTION 418 OF THE SOCIAL SECURITY ACT AND A DESCRIPTION OF THE MANNER IN WHICH THAT ASSISTANCE WAS PROVIDED;".

(B) SECRETARIAL REPORTING REQUIREMENT.-SECTION 658L OF THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 1990 (42 U.S.C. 9858J) IS AMENDED BY INSERTING ", WITH PARTICULAR EMPHASIS ON ACCESS OF LOW-INCOME WORKING FAMILIES," AFTER "PUBLIC".

LOAD-DATE: March 4, 1997

FULL TEXT OF BILLS

105TH CONGRESS; 1ST SESSION
IN THE SENATE OF THE UNITED STATES
AS INTRODUCED IN THE SENATE

S. 19

1997 S. 19; 105 S. 19

<=1> Retrieve Bill Tracking Report

SYNOPSIS:

A BILL To provide funds for child care for low-income working families, and for other purposes.

DATE OF INTRODUCTION: JANUARY 21, 1997

DATE OF VERSION: JANUARY 25, 1997 -- VERSION: 1

SPONSOR(S):

Mr. DODD (for himself, Mr. DASCHLE, Mr. KENNEDY, Ms. MIKULSKI, Mr. ROCKEFELLER, Mrs. MURRAY, Mr. TORRICELLI, and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on
Labor and Human Resources

TEXT:

* Be it enacted by the Senate and House of Representatives of the United*

*States of America in Congress assembled, *

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.-THIS ACT MAY BE CITED AS THE "WORKING FAMILIES CHILD CARE ACT OF 1997".

(B) TABLE OF CONTENTS.-THE TABLE OF CONTENTS FOR THIS ACT IS AS FOLLOWS:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

Sec. 3. Assistance for low-income working families.

Sec. 4. Grants for child care supply shortages.

Sec. 5. Report on access to child care by low-income working families.

Sec. 6. Effective date.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Availability and affordability of quality child care is a major obstacle for working parents who struggle to remain self-sufficient.

(A) Compared to all other income groups, the working poor are

the least likely to receive assistance with their child care costs.

(B) Low-income families spend 24 percent of their household income on child care, whereas middle-income families spend 6 percent of their household income on child care.

(C) 38 States have waiting lists for child care for the working poor. Among those States, Georgia has 41,000 individuals on its waiting list, Texas has 36,000 individuals on its waiting list, and Illinois and Alabama each have 20,000 individuals on their waiting lists.

(D) One survey of low-income families on a waiting list for subsidized child care found that of those families paying for child care out of their own funds, 71 percent faced serious debt or bankruptcy.

(E) Half of the States and the District of Columbia, even before the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2105) during the 104th Congress, increased the proportion of child care slots or dollars going to families on welfare, rather than to working poor families.

(2) The Congressional Budget Office estimates that there will be \$1,400,000,000 less expenditures of child care funds for working poor families as a result of the States implementing the work requirements imposed under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2105).

(3) Important types of child care are not available in certain States including infant care, school-age care, care for children with disabilities and special health care needs, and child care for parents with unconventional or shifting work hours.

(A) A 1995 State study by the Comptroller General of the United States found a shortage of child care for infants and children with special needs in inner cities, and a shortage of all types of child care in rural areas.

(B) Only one-third of the schools in low-income neighborhoods offer school-age child care, compared with 52 percent of schools in more affluent areas offering such care.

(C) Eighth-graders who are left home alone for 11 or more hours a week report significantly greater use of cigarettes, alcohol, and marijuana than eighth-graders who are not left home alone.

(D) Existing child care arrangements do not accommodate the work schedules of many working women. According to a 1995 statistic published by the Department of Labor, 14,300,000 workers, nearly 1 in 5 full-time workers work nonstandard hours, and more than 1 in 3 of those workers are women.

(E) Only 10 percent of child care centers and 6 percent of family day care providers offer child care on weekends. Yet one-third of working mothers with annual incomes below the poverty level and one-quarter of mothers with annual incomes

above the poverty level but below \$25,000 work on weekends.

(F) Less than 30 percent of Head Start programs operate on a full-time, full-year basis.

SEC. 3. ASSISTANCE FOR LOW-INCOME WORKING FAMILIES.

Section 658B of the Child Care Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. FUNDING OF GRANTS.

"(a) AUTHORIZATION OF APPROPRIATIONS.-EXCEPT AS PROVIDED IN SUBSECTION (B), THERE IS AUTHORIZED TO BE APPROPRIATED TO CARRY OUT THIS SUBCHAPTER \$2,000,000,000 FOR EACH OF FISCAL YEARS 1997 THROUGH 2002.

"(B) APPROPRIATION.-THE SECRETARY SHALL PAY, FROM FUNDS IN THE TREASURY NOT OTHERWISE APPROPRIATED, \$1,400,000,000 FOR FISCAL YEARS 1997 THROUGH 2002, THROUGH THE AWARDING OF GRANTS TO STATES UNDER THIS SUBCHAPTER FOR THE PURPOSE OF PROVIDING CHILD CARE SERVICES FOR FAMILIES WHO HAVE LEFT THE STATE PROGRAM OF ASSISTANCE UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT BECAUSE OF EMPLOYMENT, FAMILIES THAT ARE AT RISK OF BECOMING DEPENDENT ON SUCH ASSISTANCE PROGRAM, AND LOW-INCOME WORKING FAMILIES DESCRIBED IN SECTION 658E(C)(3)(D). FUNDS SHALL BE PAID UNDER THIS SUBSECTION TO THE STATES IN THE SAME MANNER, AND SUBJECT TO THE SAME REQUIREMENTS AND LIMITATIONS, AS FUNDS ARE PAID TO THE STATES UNDER SECTION 418 OF THE SOCIAL SECURITY ACT (42 U.S.C. 618).".

SEC. 4. GRANTS FOR CHILD CARE SUPPLY SHORTAGES.

(a) GRANTS FOR CHILD CARE SUPPLY SHORTAGES.-SECTION 658E(C)(3) OF THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 1990 (42 U.S.C. 9858C(C)(3)) IS AMENDED BY ADDING AT THE END THE FOLLOWING:

"(E) CHILD CARE SUPPLY SHORTAGES.-

"(I) IN GENERAL.-A STATE SHALL ENSURE THAT 100 PERCENT OF AMOUNTS PAID TO THE STATE OUT OF FUNDS APPROPRIATED UNDER SECTION 658B(A)(2) WITH RESPECT TO EACH OF THE FISCAL YEARS 1997 THROUGH 2002 SHALL BE USED TO CARRY OUT CHILD CARE ACTIVITIES DESCRIBED IN CLAUSE (II) IN GEOGRAPHIC AREAS WITHIN THE STATE THAT HAVE A SHORTAGE, AS DETERMINED BY THE STATE, IN CONSULTATION WITH LOCALITIES, OF CHILD CARE SERVICES.

"(II) CHILD CARE ACTIVITIES DESCRIBED.-THE CHILD CARE ACTIVITIES DESCRIBED IN THIS CLAUSE INCLUDE THE FOLLOWING:

"(I) INFANT CARE PROGRAMS.

"(II) BEFORE- AND AFTER-SCHOOL CHILD CARE PROGRAMS.

"(III) RESOURCE AND REFERRAL PROGRAMS.

"(IV) NONTRADITIONAL WORK HOURS CHILD CARE PROGRAMS.

"(V) Extending the hours of pre-kindergarten programs to provide full-day services.

"(VI) Any other child care programs that the Secretary determines are appropriate.".

(b) AUTHORIZATION OF APPROPRIATIONS.-SECTION 658B(A) OF THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 1990 (42 U.S.C. 9858(A)), AS AMENDED BY SECTION 2, IS AMENDED-

(1) BY STRIKING "EXCEPT AS PROVIDED IN" AND INSERTING THE FOLLOWING:

"(1) IN GENERAL.-EXCEPT AS PROVIDED IN PARAGRAPH (2) AND"; AND
(2) BY ADDING AT THE END THE FOLLOWING:

"(2) CHILD CARE SUPPLY SHORTAGES.-THERE IS AUTHORIZED TO BE APPROPRIATED TO CARRY OUT SECTION 658E(C)(3)(E), \$500,000,000 FOR EACH OF FISCAL YEARS 1997 THROUGH 2002."

(C) CONFORMING AMENDMENT.-SECTION 658(C)(3)(A) OF THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 1990 (42 U.S.C. 9858C(C)(3)(A)) IS AMENDED BY STRIKING "(D)" AND INSERTING "(E)".

SEC. 5. REPORT ON ACCESS TO CHILD CARE BY LOW-INCOME WORKING FAMILIES.

(a) STATE REPORTING REQUIREMENT.-SECTION 658K(A)(2) OF THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 1990 (42 U.S.C. 9858I(A)(2)) IS AMENDED-

(1) IN SUBPARAGRAPH (D), BY STRIKING "AND" AT THE END; AND

(2) BY INSERTING AFTER SUBPARAGRAPH (E), THE FOLLOWING:

"(F) THE TOTAL NUMBER OF FAMILIES DESCRIBED IN SECTION 658B(B) THAT WERE ELIGIBLE FOR BUT DID NOT RECEIVE ASSISTANCE UNDER THIS SUBCHAPTER OR UNDER SECTION 418 OF THE SOCIAL SECURITY ACT AND A DESCRIPTION OF THE OBSTACLES TO PROVIDING SUCH ASSISTANCE; AND

"(G) THE TOTAL NUMBER OF FAMILIES DESCRIBED IN SECTION 658B(B) THAT RECEIVED ASSISTANCE PROVIDED UNDER THIS SUBCHAPTER OR UNDER SECTION 418 OF THE SOCIAL SECURITY ACT AND A DESCRIPTION OF THE MANNER IN WHICH THAT ASSISTANCE WAS PROVIDED;"

(B) SECRETARIAL REPORTING REQUIREMENT.-SECTION 658L OF THE CHILD CARE DEVELOPMENT BLOCK GRANT ACT OF 1990 (42 U.S.C. 9858J) IS AMENDED BY INSERTING ", WITH PARTICULAR EMPHASIS ON ACCESS OF LOW-INCOME WORKING FAMILIES," AFTER "PUBLIC".

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act take effect as if included in the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193, 110 Stat. 2105).

THE SENIOR SERVICE INITIATIVE – COSTS AND STRUCTURE

Total Cost: \$40 million, funded from the Corporation for National Service's share of the America Reads initiative.

Experience Corps -- \$36 million

- Roughly 400 Grants awarded to current Senior Corps sponsors – Foster Grandparents, RSVP, and Senior Companions -- and other eligible organizations to field 10,000 Experience Corps members.
- Grants would average \$90,000 and would support *either* a stipend of up to \$200 per month *or* an \$2,500 educational award for members or transferable to a disadvantaged student.
- Each program would have roughly 25 members, each serving 15 hours a week, setting up tutoring programs and each generating on average at least six additional volunteers.
- Grants will be awarded on a competitive basis by the Corporation for National Service and State Commissions on National and Community Service. Applicants could include community groups, schools, senior centers or existing sponsors of Foster Grandparent, RSVP, Senior Companion or Experience Corps programs.
- An emphasis would be placed on those programs that forged partnerships with the private sector.

Estimated Total Annual Service by Stipended Corps members: 8 million hours
Estimated Total Annual Service by Unstipended Volunteers: 18 million hours
Estimated Total Annual Hours of Service Leveraged: 26 million hours

Expansion of Existing Senior Volunteer Projects -- \$4 million

- Expand existing reading programs through 340 mini-grants to RSVP, Foster Grandparents and Senior Companions.
- Each grant would be roughly \$10,000 and would support direct volunteer costs such as insurance, travel and other out of pocket expenses and local project infrastructure costs of recruiting, placing and supporting members.
- Each program would recruit 100 volunteers, for a total of roughly 34,000 new volunteers.

Estimated annual service by volunteers in existing programs: 10.7 million

GRAND TOTAL: 104,400 SENIORS IN SERVICE, PROVIDING MORE THAN 36 MILLION HOURS OF HELP TO CHILDREN EACH YEAR

A CALL TO SERVICE FOR SENIORS

Mobilizing 100,000 Older Citizens for America Reads

The aging of America has prompted much commentary about looming crises – the threat to Social Security, the growing budget deficit and the strain on families. But this demographic revolution holds the key to solving so many of our critical problems. A typical American can expect to spend almost one-third of his or her life in retirement. This is an awesome untapped resource. For this growing cohort of “young old,” many of whom had tried to change the world as young men and women, “retirement” can mark the beginning of a new career of part-time service -- a second chance to give something back to their communities and their country.

We propose a major new effort to call these Americans into service. As the first step, we propose a new senior service program -- The Experience Corps -- with the mission of helping children read.

The Experience Corps

The cornerstone of the drive to mobilize 100,000 senior volunteers would be a new national service initiative for older Americans -- the Experience Corps. 10,000 Experience Corps members would serve in schools, Head Start centers or community groups to set up tutoring and after-school programs, recruit and train other volunteers, get parents more involved in their children's education, and work directly with students. The key elements of this new program:

A Significant Service Commitment -- Working in teams, 10,000 older Americans would make a significant service commitment -- at least 15 hours a week for a year -- to help children learn. The Corps members thereby become not only tutors but catalysts for a wide range of efforts to help kids and improve the climate in schools, with the ultimate goal of improving reading scores. They become a stable, reliance presence in the schools.

Mobilizing Volunteers -- Each Experience Corps member would be expected to set up new effective, structured tutoring opportunities for unstipended volunteers. For example, the Experience Corps members might recruit a retired policeman to serve five hours a week as an intensive one-on-one tutor and mentor for two children. On average, each corps member could be expected to recruit and train six other unstipended volunteers --

producing 65,000 new volunteer tutors. Expansion of existing senior volunteer programs would mobilize an additional 40,000 volunteers. These 100,000 volunteers can be expected to give 36 million hours of service each year.

Individualized "I Have a Dream" or "Legacy" Scholarships – The Experience Corps members could either receive a small stipend (up to \$200 a month) or a \$2,500 scholarship. The seniors could pool their scholarships together to create an endowment for a needy child, donate it to a school, or devise other creative uses of the scholarship that advance educational opportunity and service. They might, for instance, create one-person "I Have a Dream" programs, in which they mentor a child, and provide a college scholarship if he or she stays in school – and joins the senior in volunteering. Each Corps member, regardless of economic background, could leave a permanent legacy through a scholarship.

The Value of Stipended Service -- Existing senior programs have demonstrated that incentives like small stipends or scholarships would induce older Americans to make a substantial time commitment – well above that typically done by unstipended volunteers. Service corps members would therefore be able to not only help children directly but provide the infrastructure and leadership for a dramatic expansion in unstipended volunteers. The Experience Corps demonstration projects have virtually no turnover of service members.

Building on Success – The infrastructure is in place for a dramatic expansion in senior service. The Experience Corps would build on the success of Foster Grandparents, RSVP, Senior Companions, the Experience Corps demonstration projects – totaling 1,500 projects and 500,000 service participants -- and the work of thousands of other community groups that work with seniors or children.

Private and Corporate Partnerships – Corporations would likely become key partners in the local programs – either providing operational support or matches for scholarships. In the New York Experience Corps, for instance, AARP played a critical role in recruiting a diverse group of older citizens.

March 31, 1997

NOTE TO ELENA KAGAN

As we discussed, here are three suggestions of announcements that could be made around the April 17 Conference on Early Learning and the Brain.

Improving Child Care Quality:

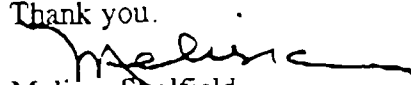
Creating Public/Private Partnerships to Improve the Health of Children and the Practices of Child Care Providers: The President/First Lady could announce a new public-private partnership with the American Academy of Pediatrics and the National Association of Pediatric Nurse Associates and Practitioners to create the "Adopt-A-Child Care Program," a program designed to mobilize doctors and nurses to donate their time and expertise to child care programs in their communities. Stressing the importance of ensuring access to health care for all children and encouraging community volunteerism, the President could call on all health professionals to become involved in the program. In addition, the President/First Lady could announce that the federal government will do its part by developing a new Child Care Health Training program in the fall to train health professionals to serve as consultants in child care.

Providing Critical Information to Child Care Providers: The President/First Lady could announce, "Stepping Stones to Caring for Our Children," a new guide produced by HHS which provides key information to state health, child care, license and regulatory agencies on how best to promote the health and safety of children in child care. This new publication also demonstrates an effective public-private partnership since the report was developed with the American Public Health Association and the American Academy of Pediatrics.

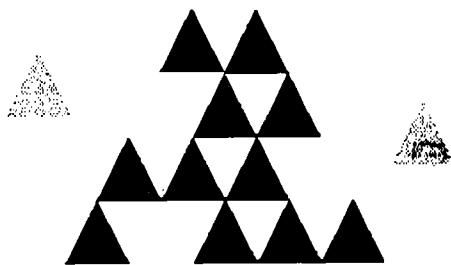
Launching a National Task Force on the Future of Child Care Quality: As part of any of these announcements on child care quality, the President/First Lady could reinforce their commitment to improving child care for the 21st century by launching a bipartisan national task force - including child care experts and members of the business community - to develop a blueprint for a child care system that reflects the changing needs of American children and families.

Please let me know if you need additional information on any of these initiatives.

Thank you.


Melissa Skelfield

*REPORT OF THE
COLORADO BUSINESS
COMMISSION ON
CHILD CARE FINANCING*



Appointed by Governor Roy Romer
State of Colorado

December 1995



OF DENVER

National
Association

370 SEVENTEENTH STREET DENVER, COLORADO 80202 303-623-2000

December 1995

The Honorable Roy Romer
Governor of Colorado
136 State Capitol
Denver, CO 80203

Dear Governor Romer:

The Report of the Colorado Business Commission on Child Care Financing is the culmination of five months of thoughtful consideration by twenty-five respected business leaders. Although anchored by commercial experience, the Commission represented a diverse set of social, economic and political constituencies.

Our deliberations and research led to a series of surprises. We were surprised by the magnitude of the change in the participation in the workforce of mothers with young children. We were surprised that all income groups were affected by the state of child care. We were surprised by the general state of the industry. Finally, we were surprised by the unanimity and conviction we shared regarding our conclusions and recommendations.

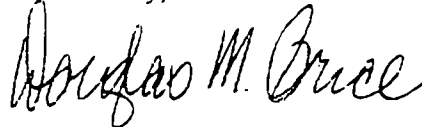
Recent research studies indicate that only twenty percent of the children in child care settings have a positive developmental experience. Sixty percent have neutral experiences, and up to twenty percent are in situations deemed developmentally negative or unsafe.

There is no simple economic panacea available to solve this complex problem. Three percent is the average marginal profit return on investment in the child care industry. Labor costs average sixty percent of the child care dollar and yet the average child care worker earns less than \$12,500 per year. Technological and productivity advances are not available in an industry when the single best predictor of quality is the number of hours each child is nurtured by a caring, trained adult.

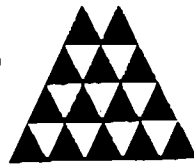
We believe a review of the facts contained in this report will lead the reader to share the Commission's conclusions. A partnership of parents, commercial interests and the broader community must be united to change this threadbare quilt of child care into a new and whole security blanket that assures children and parents of a safe and developmentally sound child care setting.

This report is a call to action. Business and government must accept their responsibility to lead the concerted effort to establish a child care foundation upon which our children can build rewarding and successful lives. Our commission stands ready to follow your leadership.

Sincerely,

A handwritten signature in cursive script that reads "Douglas M. Price". The signature is written in dark ink and is positioned above the printed name and title.

Douglas M. Price
Commission Chairman



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Karen Beye
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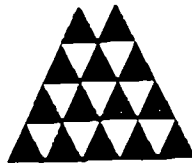
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The Report of the Colorado Business Commission on Child Care Financing

The Players

On May 16, 1995, Governor Roy Romer appointed a twenty-five member Business Commission on Child Care Financing. The Commission was charged with examining child care from a business perspective and proposing innovative but realistic methods to help finance quality child care that is affordable and accessible for Colorado families.

Members of the Commission included executives from the banking industry, the communications field, tax law, small business, the gaming industry, ski resort and hotel management, economic development, accounting and tax analysis, data processing, the airlines, labor, and real estate, as well as a college vice president, a university dean, an economist, and management consultants. The Commission was chaired by Douglas Price, President of FirstBank of Denver, and staffed by Sam Williams, Business and Child Care Initiatives Coordinator with the Department of Human Services' Division of Child Care.

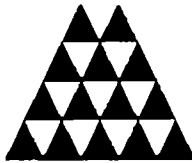
"I am impressed with the work of the Colorado Business Commission on Child Care Financing. The findings and the recommendations of the commission will help the business community and government work together in developing quality and affordable child care for the citizens of Colorado."

—Governor Roy Romer

The Big Picture

The Commission met over a five-month period. During that time, members reviewed research studies, reports, and demographic data. They discussed child care issues with all segments of the child care industry—child care providers and owners of child care facilities, parents, staff of the departments of Human Services, Local Affairs, and Revenue and of the Colorado Office of [Child Care] Resource and Referral Agencies. Ellen Galinsky, co-president of the Families and Work Institute in New York, a nationally respected child care researcher who has worked with other states on child care financing, served as a major resource for the Commission.

From their diverse business perspectives, Commission members raised hard questions about child care supply and demand, child care costs for parents, federal and state funding streams, regulatory obstacles, and salaries and turnover rates of child care workers. They examined how to balance the need for quality with the need to expand the number of child care options for parents. They looked at the link between welfare reform and child care assistance for low-income families. By the time the Commission was ready to consider recommendations for change, members had an indepth understanding of child care issues both in Colorado and nationally.



The Conversion

"The majority of the people from the child care industry who we talked with could not afford child care for their own children."

—Douglas Price
President
FirstBank of Denver

Although all of the Commission members came to the table with some understanding of the issues facing Colorado families in meeting their child care needs, they were for the most part unaware of the depth and urgency of the problems facing parents, the child care industry, employers, and state and local agencies involved in child care. Among the common assumptions held by Commission members prior to their first meeting was that child care is a relatively isolated, self-contained issue that affects primarily low-income families. It was believed that the problems with the child care industry could be improved simply by adopting particular business practices and strategies.

The education phase of the process provided Commission members with a set of perspectives that illustrated the realities of the child care dilemma and how the issue is central to the economic well-being of the family, business, and the broader community.

This report presents the Commission's conclusions about the child care situation in Colorado and what it believes can be done to improve it. Following is a summary of the data that led to the recommendations in the Commission's "Call to Action," which appears later in this report. The diversity of the Commission and the unanimity of its conclusions are indications of the impact of the information acquired by the Commission.

Changing Demographics

According to the Bureau of Labor Statistics, in 1965, 25 percent of women with children under six were in the work force. Today, that number is 58 percent.

Today, 72 percent of all women are in the work force.

In Colorado, 25 percent of all babies are born to single parents. Some 40 percent of children have no father in the home.

Nationally, since 1950, the percentage of children living in one-parent families has nearly tripled, as reported in The Carnegie Corporation's *Starting Points: Meeting the Needs of Our Youngest Children*. Some 90 percent of single-parent families are headed by women, who on average continue to earn significantly less than men. A large number of single-parent families result from teen pregnancies. Even within the traditional family structure, according to the Carnegie Corporation's *Starting Points*, only 50 percent of divorced fathers pay any support.

Today, there are more children living in poverty than ever before. Families in all income groups have become fragmented, isolated, overloaded, and exhausted as they struggle day by day to balance family and work.

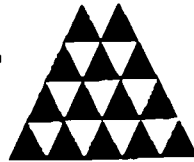
These statistics suggest other crises related to the family—changing values, shifting priorities, and increased economic pressures. The Commission's resulting focus was on responding to the reality of the changes in the family, the shifts in the economy, and alterations in the labor force that have impacted the care and development of young children outside the home.

"Child care is an investment in our future."

—Sally Bernstein
Arthur Andersen and
Company

"All kids are entitled to quality child care."

—Dean John Jones
University of Denver



Supply & Demand

Now that nearly three-quarters of all women are in the work force, the need for child care has escalated dramatically. The supply has failed to meet the demand.

The Department of Human Services' Division of Child Care reports that in September 1995 there was a capacity for 109,057 children under age six in licensed centers and homes. At the same time, it is estimated that more than 170,000 children under age six were in need of care. Statewide, the unmet demand for child care is greatest for infants and toddlers, school-age children, children whose parents work shifts or evenings, and mildly ill children. The situation is especially critical for those moving off welfare and those who are struggling to keep from having to apply for welfare. With welfare reform, the need for child care slots for children under six will grow by an additional 20,000.

Child care is a unique industry, as it has never responded to market pressures. The availability of space within the child care industry has not expanded in accordance with typical economic expectations. The Commission speculated that any elasticity was due to the high numbers of child care consumers with incomes approaching the median wage of about \$30,000 per year. With little inflation in the median wage as adjusted for inflation over the past two decades, the ability of parents to absorb the increased costs that would lead to industry expansion is limited.

"The financial community needs to recognize child care as a small business."

**—Hollis Robbins
Patton Boggs**

"As managers, some of us have old ideas and give lip service to the needs of young working parents. We need to focus on changing those attitudes."

**—Jean Galloway
Channel 9**

What Is Quality Child Care?

For most parents, obtaining some type of child care is not enough. It needs to be quality child care that will help their children develop and learn in a secure and safe environment. Such care is hard to find.

According to "Cost, Quality and Child Outcomes in Child Care Centers," only 14 to 20 percent of children are in developmentally positive child care situations. The remainder are in developmentally neutral situations or in care considered developmentally harmful and unsafe. Approximately 35 percent of infants were found to be in unsafe settings. The most serious problems with regard to availability and quality of care occur with infants and toddlers, the most critical stage of development. According to the Families and Work Institute, the quality of child care in Colorado and across the nation is declining.

The National Conference of State Legislatures (NCSL) reports that "an increasing amount of research links quality early childhood experiences to later school achievement, adult productivity, and the foundations of a sound economy." Research on the benefits of quality early childhood education for low-income children found that an estimated \$7.16 is saved over a child's lifetime for every dollar invested in quality programs.

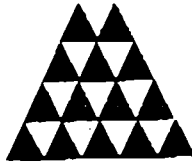
But what is quality child care? Numerous studies confirm that specific conditions are predictors of quality child care, care that encourages children's social, emotional, and educational development in a safe environment. Numerous studies, including "Cost, Quality and Child Outcomes in Child Care Centers" and the Government Accounting Office's "Cost of Early Childhood Education Report," have concluded that conditions directly linked to quality care include:

"Government has a role in child care....It should be in partnership with entrepreneurs, counties, cities."

**—Michael McDonnell
McDonnell Law Offices**

"The foundation of a sound education system is a sound child care system."

**—Norm Early
Senior Vice President
Lockheed, IMS**



"As the work force changes at FirstBank, the cost of child care related turnover is forcing us to reevaluate the way we allocate resources for benefits."

—Douglas Price
President
FirstBank of Denver

"The child care dilemma affects not only small children but all of society."

—Sally Bernstein
Arthur Andersen and
Company

- ▲ high staff-to-child ratios
- ▲ higher level of staff training and education
- ▲ low staff turnover
- ▲ higher levels of pay and benefits for child care providers
- ▲ high licensing standards

Quality child care has also been described as care that allows parents to work without distraction, reduces absenteeism and turnover, helps single mothers become independent of welfare, and helps children grow and develop.

High quality child care has been shown to provide long-term economic and social benefits for children, families, businesses, and communities. The Commission concluded that access to quality, affordable child care in Colorado is a fundamental right of children and that it is the responsibility of parents and society to guarantee that right. A brief look at the child care industry illustrates clearly that quality child care will become widely available only with the implementation of innovative financing strategies.

An Industry in Crisis

According to the Urban Institute's "National Child Care Survey, 1990," parents paid \$1.40 an hour for center care in 1975, while in 1990 they paid \$1.67, an increase of \$.27 over 15 years. For parents who used family child care, including unlicensed care, the fees went from \$1.29 an hour in 1975 to \$1.35 in 1990, an increase of \$.06 an hour in the same 15 years.

The Colorado Department of Labor and Employment's "Job Outlook Summary: 1994-1999" reported that the average annual salary of teachers in Colorado in both profit and nonprofit child care facilities is \$12,615. In most cases, the teachers receive few benefits or none at all. Child care is one of the lowest paid professions in the state and in the nation.

According to "Cost, Quality and Child Outcomes in Child Care Centers," the average annual turnover rate for all staff in both profit and nonprofit child care facilities is 51 percent. In profit facilities, the average annual staff turnover rate is nearly 67 percent.

The startling rate of turnover is an obvious result of low wages and lack of benefits. A large percentage of child care workers have no employer-provided health care coverage, no disability coverage, no sick leave for themselves or their children, no overtime pay, and no paid vacations or holidays.

How does this relate to quality of care? It has been documented that higher pay of child care providers and a higher level of training and education relate directly to a better quality of care. High turnover rates are disruptive and disturbing to families and their children, especially very young children. The low pay and low status of child care providers make it difficult to attract and retain trained and educated providers.

Even at the low rate of pay, wages consume an average of 59 percent of a child care facility's expenses; facility costs average 15.5 percent. Profit margins of child care facilities fall within a range of 2 to 4 percent, as reported in "Cost, Quality and Child Outcomes in Child Care Centers."

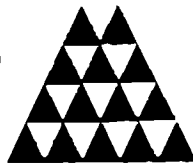
The balance between quality and cost offers few opportunities for innovation and productivity gains.

"We need to recognize that caring for and educating young children is a skill—a skill that not all parents have, and a skill that we should reward financially in child care providers."

—Hollis Robbins
Patton Boggs

"Child care is an investment, not a maintenance issue."

—Cathy Smaha
AT&T



Economic Impact

In Colorado, a family pays an average of about \$4,800 a year per child for child care. As reported in the "National Child Care Survey, 1990," most families pay 10 percent of their family income on child care. However, families earning less than \$25,000 a year pay an average of 23 percent, while families earning \$50,000 or more pay an average of 6 percent of their income. Many families simply cannot afford to pay for child care.

Child care has become a critical economic and labor force issue. It will greatly impact the next generation's work force, the productivity of business and industry, and the state's economic vitality. There exists an undeniable linkage between productivity in the work place and quality child care. An estimated \$3 billion in annual losses nationwide is due to lost productivity by workers who were having child care problems.

The lack of quality child care and the lack of adequate financing to make quality care widely available has proven devastating to children and their families, to businesses, and to the nation.

A Call To Action

In developing its final recommendations, the Business Commission on Child Care Financing examined successful models in other states and communities as well as their own ideas generated through discussion and problem solving. All recommendations are aimed at improving the supply of high-quality, affordable care for Colorado's children. Some of the proposed actions will directly benefit parents and children as consumers of child care services; others provide financial relief and assistance to providers in expanding and improving their services. All recommendations were selected because they make sound business sense.

The Commission recommended only those strategies that are realistic and "doable." Another consideration was cost. The Commission focused on high-impact efforts that would require little or no additional funding. In a number of cases, recommendations call for redirecting currently available resources. Some will require legislation to enact. The Commission's recommendations are a call to action to all Coloradans to join in the effort to address the funding of child care.

Although the challenges seem daunting, the Commission is optimistic about the chances of improving the child care situation in Colorado. The State has committed significant efforts and dollars to children's issues for a number of years, including developing an active statewide child care resource and referral system. Colorado has been recognized nationally for its licensing standards and for requiring substantial ongoing training for child care providers. Existing programs provide a sound foundation to support new initiatives.

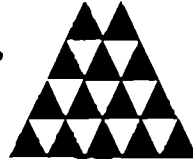
The Commission members are requesting in this report that a partnership be formed among parents, child care providers, private businesses, and public agencies that are willing to accept the challenge of working together to ensure that all Colorado families have access to quality and affordable child care. The child care profession must be recognized as vital to the prosperity and future of our state. Such an effort could well lead to Colorado being a national leader in child care.

"The real charge is to efficiently and intelligently use our space in public educational buildings for the benefit of children."

—Dr. Robert D. Tschirdl
Superintendent
of Schools
Cherry Creek
School District

"Child care has a huge impact on the final product that comes out of K-12."

—Kevin Cory
Director of
Human Resources
Starpak Inc.



This report is a call to action. Business and government must accept their responsibility to lead the concerted effort to establish a child care foundation upon which our children can build rewarding and successful lives. The Commission stands ready to forcefully advocate on the behalf of children for the implementation of the following recommendations.

RECOMMENDATION 1.

ESTABLISH MODEL PLANNING AND ZONING PROGRAMS DESIGNED TO INCREASE AND IMPACT THE SUPPLY OF CHILD CARE.

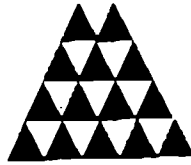
The Commission is aware of the impact the total business community could have on child care in Colorado. As the State continues to struggle with growth, the child care crisis runs a parallel course. Communities, developers, and local planning and zoning departments must consider child care planning and development with the same attention and emphasis given to transportation, employee housing, open space, and other community development needs. These and other critical areas of local development respond to the same pressures that have shaped the child care crisis: changing demographics and financially driven circumstances.

Developers and planners can be a major part of the solution as they structure communities of the future. Special attention should be given immediately to removing existing local governmental impediments to establishing on-site and near-site child care facilities. The Commission has a keen interest in this area for future evaluation and consideration of integrating developer incentives with voluntary developer involvement in supporting child care.

RECOMMENDATION 2.

DEVELOP AND DISTRIBUTE A BUSINESS-ORIENTED RESOURCE GUIDE DESCRIBING CHILD CARE EMPLOYEE BENEFIT OPTIONS.

Many businesses and corporations throughout the State of Colorado are becoming more responsive to the child care needs of their employees and more aware of how child care assistance can positively impact the business bottom line. Even those businesses that want to develop a child care benefit package for their employees are often unsure how to proceed and overwhelmed by the number of options available, such as flexible benefit plans, establishment of on-site child care, and voucher programs. They need a source of information and resource contacts. The availability of a business-oriented child care resource guide would assist large and small businesses in making bottom-line decisions based on employee child care needs and benefit options.



RECOMMENDATION 3.

DESIGN, IMPLEMENT, AND DISTRIBUTE A PACKET OF MODEL CHILD CARE PROGRAMS THAT CAN BE LOCALLY REPLICATED OR ADAPTED BY EMPLOYERS OF VARYING SIZES AND ORGANIZATIONAL STRUCTURES.

The Commission learned of creative child care programs operating in Colorado and other states. A description of these programs can be a valuable source of ideas for businesses, local communities, and organizations as they seek to address the child care needs of their employees and residents. The Department of Human Services should take the lead in researching, developing and distributing such a resource.

RECOMMENDATION 4.

ESTABLISH A MULTI-BANK COMMUNITY DEVELOPMENT CORPORATION THAT WILL PROVIDE LOANS AND OTHER FINANCIAL ASSISTANCE TO CHILD CARE PROVIDERS.

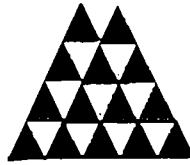
The purpose of the child care community development corporation would be to provide funds for the startup and expansion of child care facilities. The recommended first step would be to convene chief executive officers of financial institutions to address the role of the financial community in child care and to develop a financial strategy to form one or more child care community development corporations in Colorado.



RECOMMENDATION 5.

DEVELOP AND DISTRIBUTE A CHILD CARE CONSUMER GUIDE FOR PARENTS.

The members of the Business Commission on Child Care Financing, representing numerous businesses and thousands of employees throughout the state, recognize that a large percentage of their employees are among the consumers of child care services. They also recognize the immediate need for increased consumer awareness of child care issues and options. The Commission concluded that consumer awareness leads to increased quality, a wider range of child care options, and easier access to services and benefits. To achieve that awareness, the Commission recommends the development and distribution of a consumer-oriented child care guide.



RECOMMENDATION 6.

RESTRUCTURE THE CURRENT COLORADO ENTERPRISE ZONE CHILD CARE CONTRIBUTION PROGRAM TO IMPROVE THE AVAILABILITY, QUALITY, AND AFFORDABILITY OF CHILD CARE.

Expand the Current Enterprise Zone Structure To Include All of Colorado for Child Care Contributions.

Colorado's enterprise zone law was enacted in 1986 to improve the economic conditions of lagging geographical areas of the State. Its goal is to enhance these areas' business climate and provide economic development incentives with a minimum of red tape. The enterprise zone program targets sixteen economically distressed areas of the State for special tax incentives to encourage job creation, business investment, and economic revitalization.

In 1990 monetary or in-kind contributions to promote child care in enterprise zones qualified for an income tax credit. Contributions are considered a part of the economic development plan of the zones. Contributions may include money donated for the purpose of establishing a child care facility; establishing a fund for making grants or loans to parents who require assistance in paying for child care; paying for the training of child care providers; or establishing child care information and referral programs.

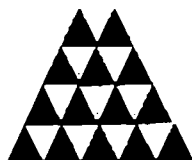
The sixteen enterprise zones cover approximately 75 percent of the State's area but only 15 percent of the population. The majority (94 percent) of child care contributions (\$1,242,000) made in the last four years were in the Denver enterprise zone. Enterprise zones are geographically specific while child care needs are statewide. The proposed legislation would extend enterprise zone tax credits throughout the State for child care purposes.

Due to the orientation, direction, emphasis, time constraints, and primary mission of the current enterprise zone structure, the Child Care Contribution Program varies in its effectiveness throughout the zones and serves no one outside of the zones. The zones were designed for economic development rather than child care development.

Transfer to the Colorado Department of Human Services the Responsibility for Administering the Expanded Child Care Contribution Program.

The Commission recommends that the administration of child care contributions and disbursements be centralized and coordinated in the Department of Human Services. This would provide a statewide application and focus, a tie in and strict adherence to quality (licensing), and a centralized location for contributors and those programs earmarked for the donations. A forceful advocate for this program at the state level should result in significantly increased contributions throughout the State.

A transition plan for the relocation of the Child Care Contribution Program would need to be developed, along with procedures, staffing, and organization within the Department of Human Services for the operation of the program. Legislation would be required to effect the change.



In order to maximize contributions with the goal of doubling the most recent estimated annual child care contribution figure for 1995 (\$2 million), a statewide publicity and notification program must be established to contact past and potential individual and business contributors.

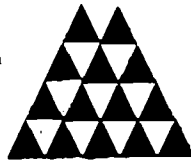
Initiate Legislation To Revise the Colorado Tax Laws To Maximize Corporate and Individual Child Care Contributions and To Allow Negotiable Securities Donated to the Child Care Contribution Program To Be Treated as Cash Contributions Instead of In-Kind.

Legislation passed in Colorado in 1990 allows negotiable securities to be contributed under the existing enterprise zone Child Care Contribution Program. Negotiable securities are treated as an in-kind contribution and qualify for a 20 percent credit. Corporate and individual donors view donations of negotiable securities as a favorable financial strategy. Because negotiable securities are redeemed immediately for cash, the contributor would qualify for a more favorable tax credit treatment (a 50 percent credit). This would increase the contribution flow significantly and provide funds to impact availability, quality, and affordability of child care.

RECOMMENDATION 7.

INITIATE LEGISLATION TO ESTABLISH A VOLUNTARY CHILD CARE CHECK-OFF ON COLORADO STATE INCOME TAX RETURNS TO FUND QUALITY ENHANCEMENT IN LICENSED CHILD CARE FACILITIES THROUGH A DEDICATED FUNDING SOURCE.

The Commission determined that an additional funding stream is necessary to promote quality in child care programs. The establishment of a tax check-off category for child care quality would follow the precedent set for the existing categories of non-game wildlife, domestic abuse, the Olympics Committee, and homeless prevention. A tax check-off category for child care would give committed and concerned citizens the opportunity to financially impact the quality of child care in programs throughout the State. Funds generated through this mechanism could become a component of the contribution program described under Recommendation #6, and could be treated as a grant-making mechanism for such things as training and national accreditation. In order to maximize funds and contributions, a coalition of public and private support for the tax check-off must be organized.



RECOMMENDATION 8.

INITIATE A REFUNDABLE CHILD CARE INCOME TAX CREDIT FOR COLORADO FAMILIES TO SIGNIFICANTLY ASSIST THEM IN PAYING FOR LICENSED CHILD CARE.

Colorado's child care tax credit program was eliminated in 1987 with the passage of a Colorado flat tax system. Colorado taxpayers presently can claim a federal credit for child care. The amount claimed is based on adjusted gross income brackets and number of children in child care. The Commission recommends that the Colorado General Assembly enact legislation to establish a refundable child care tax credit program based on a percentage of the federal child care tax credit. The program would provide credit assistance to those families in greatest need.

RECOMMENDATION 9.

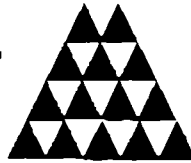
INITIATE A CHANGE IN PROPERTY TAX ASSESSMENT RATES TO ALLOW CHILD CARE FACILITIES TO BE TAXED AT THE RESIDENTIAL RATE RATHER THAN THE COMMERCIAL RATE.

Child care facility costs rank as the second highest expense for child care providers. A reduction in facility associated costs could translate into higher wages for an industry that ranks among the lowest in terms of pay. A restructuring of the associated facility expenses might also increase the low profits for child care providers and increase the availability of facilities. The commission concluded that restructuring the assessed valuation is in the best interest of the child care industry.

RECOMMENDATION 10.

DEVELOP POLICIES THAT PROVIDE FOR THE UTILIZATION OF EXISTING PUBLIC EDUCATIONAL BUILDINGS FOR CHILD CARE PROGRAMS.

The departments of Human Services, Education, and Local Affairs should work with local school districts and municipalities to develop policies that allow for the use of schools, libraries, and other educational buildings to house child care. The Commission recognizes that buildings and space are a major financial burden to child care providers. Vacant and partially used educational facilities throughout the State could be a source of needed space for both profit and nonprofit child care providers. In order to fully determine the availability of space, a complete inventory of public space suitable for child care activities should be taken. This inventory should be conducted at the local level, with results

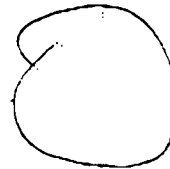


coordinated by a centralized state department. Some unused facilities could be renovated for use and rented. This would allow facility expansion and reduce facility costs for child care providers.

RECOMMENDATION 11.

CONVENE A GOVERNOR'S STATEWIDE SUMMIT ON BUSINESS AND CHILD CARE.

The Business Commission on Child Care Financing recognizes the magnitude of the issues facing child care and the need for a collaborative investment and effort in identifying and resolving associated problems. Employers nationwide have begun to recognize the importance of child care services to the well-being of their employees and to their businesses. There is a need in Colorado for an increased awareness of the importance of quality child care to long-term business success and competitiveness and for a new mechanism through which family-friendly companies can invest in their employees and their communities. A statewide Governor's business and child care summit would bring focus and direction to this critical need.



RECOMMENDATION 12.

CREATE A PERMANENT BUSINESS AND CHILD CARE COMMISSION.

In the course of the meetings of the Business Commission on Child Care Financing, numerous child care financial strategies and mechanisms were explored. The Commission realized that the field of inquiry into child care financing is critical to solving the child care financial crisis. The State of Colorado now has a willing and competent nucleus of business executives who understand child care. This commission recommends the formation of a permanent group that will guide the implementation of these recommendations and continue in a role of working with the public and private sectors to impact how Colorado cares for its children.

