

NLWJC - KAGAN

EMAILS RECEIVED

ARMS - BOX 071 - FOLDER -011

[01/07/1998]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Mary Morrison (CN=Mary Morrison/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-JAN-1998 10:11:40.00

SUBJECT: Short Term Reminder

TO: Laura D. Schwartz (CN=Laura D. Schwartz/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Stacie Spector (CN=Stacie Spector/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: MILLISON_C (MILLISON_C @ A1 @ CD @ LNGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

TO: Elisabeth Steele (CN=Elisabeth Steele/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jeffrey M. Smith (CN=Jeffrey M. Smith/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

TO: Bob J. Nash (CN=Bob J. Nash/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Peter A. Weissman (CN=Peter A. Weissman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Rachel A. Redington (CN=Rachel A. Redington/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jacquelyn J. Bennett (CN=Jacquelyn J. Bennett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Anne M. Edwards (CN=Anne M. Edwards/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Paul E. Begala (CN=Paul E. Begala/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Russell W. Horwitz (CN=Russell W. Horwitz/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: ELKON_N (ELKON_N @ A1 @ CD @ LNGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

TO: DAVIES_G (DAVIES_G @ A1 @ CD @ LNGTWY [UNKNOWN]) (NSC)

READ:UNKNOWN

TO: Shelley N. Fidler (CN=Shelley N. Fidler/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

TO: Michele Jolin (CN=Michele Jolin/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Kimberly H Tilley (CN=Kimberly H Tilley/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Daniel Wexler (CN=Daniel Wexler/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Darby E. Stott (CN=Darby E. Stott/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Minyon Moore (CN=Minyon Moore/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Christopher J. Lavery (CN=Christopher J. Lavery/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Todd Stern (CN=Todd Stern/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Sean P. Maloney (CN=Sean P. Maloney/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jeffrey A. Forbes (CN=Jeffrey A. Forbes/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elisa Millsap (CN=Elisa Millsap/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Cecily C. Williams (CN=Cecily C. Williams/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robyn G. Dickey (CN=Robyn G. Dickey/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Capricia P. Marshall (CN=Capricia P. Marshall/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ellen M. Lovell (CN=Ellen M. Lovell/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jordan Tamagni (CN=Jordan Tamagni/OU=WHO/O=EOP @ EOP [UNKNOWN])
READ:UNKNOWN

TO: Michael Waldman (CN=Michael Waldman/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Ruby Shamir (CN=Ruby Shamir/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Katherine Hubbard (CN=Katherine Hubbard/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Anne E. McGuire (CN=Anne E. McGuire/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Stephen B. Silverman (CN=Stephen B. Silverman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Thomas D. Janenda (CN=Thomas D. Janenda/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Andrew J. Mayock (CN=Andrew J. Mayock/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Sara M. Latham (CN=Sara M. Latham/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Nelson Reyneri (CN=Nelson Reyneri/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Victoria Radd (CN=Victoria Radd/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Nancy V. Hernreich (CN=Nancy V. Hernreich/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Charles J. Payson (CN=Charles J. Payson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Aviva Steinberg (CN=Aviva Steinberg/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Karin Kullman (CN=Karin Kullman/OU=WHO/O=EOP [WHO])
READ:UNKNOWN

TO: Jennifer M. Palmieri (CN=Jennifer M. Palmieri/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: John Dankowski (CN=John Dankowski/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Miriam H. Vogel (CN=Miriam H. Vogel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Martha A. Livingston (CN=Martha A. Livingston/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

TO: Ruth A. Eaglin (CN=Ruth A. Eaglin/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Kim B. Widdess (CN=Kim B. Widdess/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Amy W. Tobe (CN=Amy W. Tobe/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Grace A. Garcia (CN=Grace A. Garcia/OU=PIR/O=EOP @ EOP [PIR])
READ:UNKNOWN

TO: Debra A. Schiff (CN=Debra A. Schiff/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Eleanor S. Parker (CN=Eleanor S. Parker/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Susan L. Hazard (CN=Susan L. Hazard/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Kristen E. Panerali (CN=Kristen E. Panerali/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Lawrence J. Haas (CN=Lawrence J. Haas/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: HILLIARD_B (HILLIARD_B @ A1 @ CD @ LNGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

TO: KERRICK_D (KERRICK_D @ A1 @ CD @ LNGTWY [UNKNOWN]) (NSC)
READ:UNKNOWN

TO: Beth A. Viola (CN=Beth A. Viola/OU=CEQ/O=EOP @ EOP [CEQ])
READ:UNKNOWN

TO: Peggy Cusack (CN=Peggy Cusack/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Ansley Jones (CN=Ansley Jones/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Cheryl M. Carter (CN=Cheryl M. Carter/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robert B. Johnson (CN=Robert B. Johnson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Marjorie Tarmey (CN=Marjorie Tarmey/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Lori L. Anderson (CN=Lori L. Anderson/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Cynthia M. Jasso-Rotunno (CN=Cynthia M. Jasso-Rotunno/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Craig T. Smith (CN=Craig T. Smith/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Phillip Caplan (CN=Phillip Caplan/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michael D. Malone (CN=Michael D. Malone/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Virginia N. Rustique (CN=Virginia N. Rustique/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Suzanne Dale (CN=Suzanne Dale/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jamie B. Schwartz (CN=Jamie B. Schwartz/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Eric P. Hothem (CN=Eric P. Hothem/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Noa A. Meyer (CN=Noa A. Meyer/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Katharine Button (CN=Katharine Button/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Douglas J. Band (CN=Douglas J. Band/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Laura K. Capps (CN=Laura K. Capps/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Kevin S. Moran (CN=Kevin S. Moran/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: David S. Beaubaire (CN=David S. Beaubaire/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Kris M Balderston (CN=Kris M Balderston/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: June G. Turner (CN=June G. Turner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Terri J. Tingen (CN=Terri J. Tingen/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jason S. Goldberg (CN=Jason S. Goldberg/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Rebecca A. Cameron (CN=Rebecca A. Cameron/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Anthony R. Bernal (CN=Anthony R. Bernal/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Laura A. Graham (CN=Laura A. Graham/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Karen E. Finney (CN=Karen E. Finney/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Stephanie S. Streett (CN=Stephanie S. Streett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

We will have the Short Term Scheduling Meeting TODAY at 2pm in the
Roosevelt Room. Thank you for attending, if you have any questions please
call us x62823. Thank you and have a great day!

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Christa Robinson (CN=Christa Robinson/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-JAN-1998 17:19:50.00

SUBJECT: FOP

TO: Karen Tramontano (CN=Karen Tramontano/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Jose Cerda III (CN=Jose Cerda III/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

I told the FOP today that it would take a little more time before giving them an answer and they are furious. They think we are dragging our feet and that we are not acting in good faith b/c we continue to break our word on when we'll have an answer.

They are having an Executive Board meeting in Alabama next Thursday, January 15. At this meeting they will bring up the collective bargaining issue. One of there ideas is to picket outside of the White House.

Gil called Erskine today and would very much like to talk to Erskine before this meeting. I think it is in our best interest to have Erskine call him -- preferably with a decision -- before this meeting on the 15th. They would like for us to schedule a time that Gil and Erksine could talk since Gil will be traveling and is difficult to reach.

RECORD TYPE: PRESIDENTIAL (ALL-IN-1 MAIL)

CREATOR: Neera Tanden (TANDEN_N) (WHO)

CREATION DATE/TIME: 7-JAN-1998 17:52:54.71

SUBJECT: CDF APPLAUDS ADMINISTRATION'S CHILD CARE PROPOSAL

TO: Elena Kagan (KAGAN_E) Autoforward to: Remote Adresse
READ:NOT READ

TO: Jennifer L. Klein (KLEIN_J) Autoforward to: Remote Adresse
READ:NOT READ

TO: Neera Tanden (TANDEN_N) Autoforward to: Remote Address
READ:NOT READ

TEXT:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-JAN-1998 18:54:09.00

SUBJECT: Finals of all paper

TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

Unable to convert ARMS_EXT:[ATTACH.D69]MAIL48929660B.026 to ASCII,
The following is a HEX DUMP:

FF575043A40F0000010A02010000000205000000D45C00000002000014C0D2F42CD750E20D2DFB
D9EA172E3A900736C09D118B84ACBCF4827CA7C5C6FB62F4658DB02D81213534F382FA4403F0C3

PRESIDENT CLINTON ANNOUNCES CHILD CARE INITIATIVE

January 7, 1998

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include approximately \$20 billion over five years for child care, the largest single investment in child care in the nation's history. President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.**
- **Increases tax credits for three million working families to help them pay for child care by investing \$5.2 billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.**
- **Provides after-school care for up to half a million children per year by expanding the 21st Century Community Learning Center program by \$800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.**
- **Improves child care safety and quality and enhances early childhood development by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.**

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Child Care Block Grant Increase	\$7.5 billion over five years
Child and Dependent Tax Credit Reform	\$5.2 billion over five years
Tax Credit for Businesses	\$500 million over five years
After-School Program	\$800 million over five years
Early Learning Fund	\$3 billion over five years
Head Start Increase	\$3.8 billion over five years
Standards Enforcement Fund	\$500 million over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
TOTAL:	\$21.7 billion over five years

MAKES CHILD CARE MORE AFFORDABLE FOR WORKING FAMILIES

Doubles the Number of Children Receiving Child Care Subsidies to More than Two Million. The President proposes to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. This block grant is the primary federal subsidy program to pay for child care, enabling low-income parents to work. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. The President's initiative will more than double the number of children served from the one million served in FY 95 (the latest year for which data are available). The President's budget will increase funding for the block grant by \$7.5 billion (with a match) over five years, which will enable states to provide subsidies for more than two million children by 2003.

Increases Tax Credits for Child Care for Three Million Working Families. The Child and Dependent Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under \$60,000, providing an additional average tax cut of \$358 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that take the maximum allowable child care expenses under the law. The President's budget will include \$5.2 billion over five years to expand the Child and Dependent Care Tax Credit for three million working families.

Provides New Business Tax Credits. The child care initiative includes a tax credit to businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, reserving slots for employees at child care facilities, or providing child care resource and referral services to employees. The credit covers 25% of qualified costs, but may not exceed \$150,000 per year. The President's budget will include approximately \$500 million over five years for these tax credits.

PROMOTES EARLY LEARNING AND HEALTHY CHILD DEVELOPMENT

Promotes Early Learning. Research shows that children's experiences in the earliest years are critical to their development and future success. The President's proposed **Early Learning Fund provides challenge grants to communities (distributed by states) to support programs to improve early learning and the quality and safety of child care for children ages zero to five.** Funds may be used for the following activities: providing basic training to child care providers (including first aid and CPR); connecting individual child care providers to centers for education and support; assisting child care providers to meet accreditation and licensing requirements; linking child care providers with health professionals; reducing group sizes and child-to-staff ratios; and providing home visits, parent education, and consumer education about child care. The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North

Carolina's children enter school healthy and ready to succeed. Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support. The President's budget will include \$3 billion over five years for this fund.

Increases Investment in Head Start and Doubles the Number of Children Served by Early Head Start. Head Start provides early, continuous and comprehensive child development and family support services, preparing children for a lifetime of learning and development. **The President is committed to reauthorize Head Start and reach one million children by 2002. The President's budget will invest \$3.8 billion over five years to keep on track his commitment to serving one million children by 2002, and to double the number of infants and toddlers in Early Head Start to 80,000.**

IMPROVES THE QUALITY OF CHILD CARE

Steps Up Enforcement of State Health and Safety Standards. Building on the military's model child care program, this proposed initiative will fund state efforts to improve licensing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. The President's budget will include \$500 million over five years for this program.

Facilitates Background Checks on Child Care Providers. On the day of the White House Conference on Child Care, the President transmitted to Congress the National Crime Prevention and Privacy Compact, which will facilitate effective background checks on child care providers by eliminating state law barriers to sharing criminal history information for non-criminal purposes. Although the vast majority of child care providers are dedicated to the teaching and nurturing of children, one tragedy in child care is too many. Background checks are an important way to ensure that the people watching our children are fit for this responsibility.

Increases Scholarships and Training for Child Care Providers. At the White House Conference on Child Care, the President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance received and will earn increased compensation or bonuses when they complete their course work. The President proposed a federal investment of \$250 million over five years, which will support 50,000 scholarships per year. The President is also proposing to expand the Department of Labor's Child Care Apprenticeship Program to fund the training of child care providers.

Invests in Research. Because too little is known about our child care system, the President's budget will increase support for data, research, and evaluation. This research fund will also support a National Center on Child Care Statistics and a child care hotline that parents can call to get information about how to find child care in their communities and how to identify appropriate, quality care for their children. In addition, the research fund will support demonstration projects to test approaches to help new parents who choose to stay

home to care for their newborns or newly adopted children. The President's budget will include \$150 million over five years for this fund.

EXPANDS AND STREAMLINES AFTER-SCHOOL CARE

An estimated five million school-age children spend time as "latchkey kids" without adult supervision during a typical week. Research indicates that during these unsupervised hours children are more likely to engage in at-risk behavior, such as crime, drugs, and alcohol use. To meet this pressing demand, the President is proposing a dramatic expansion of after-school care.

Provides After-School Care for up to Half a Million Children a Year. The President proposes a dramatic expansion of the 21st Century Community Learning Center Program to provide start-up funds (with a local match) to school-community partnerships to establish or expand before- and after-school programs for school-age children. The program increases the supply of after-school care in a cost-effective manner primarily by funding programs that use public schools and their existing resources, such as computers, gymnasiums, and sports equipment. The program also includes a set aside to fund programs run by community organizations. The President's budget will request \$800 million of entirely new money for this program, for a total of \$1 billion over five years.

Improves Coordination of Federal After-School Initiatives to Help Communities Make Best Use of Existing Resources. The President will put in place a collaborative effort involving numerous federal agencies to eliminate duplication and better coordinate federal funding for after-school programs in three to five pilot cities, including the District of Columbia.

The President's Child Care Initiative

January 7, 1998

Internal Questions & Answers

1. What is the President announcing today?

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include approximately \$20 billion over five years for child care, the largest single investment in child care in the nation's history. President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.**
- **Increases tax credits for three million working families to help them pay for child care by investing \$5.2 billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.**
- **Provides after-school care for 500,000 children per year by expanding the 21st Century Community Learning Center program by \$800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.**
- **Improves child care safety and quality and enhances early childhood development by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.**

Child Care Block Grant Increase	\$7.5 billion over five years
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Research and Evaluation Fund	\$150 million over five years
TOTAL:	\$21.7 billion over five years

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2. The President has been in office for five years. Why is he proposing a child care initiative now? Is this a new problem?

The child care initiative underscores President Clinton's commitment to strengthening America's families. **As the President has said, child care is** "the next great frontier if we're going to make sure all Americans can succeed at home and at work." (7/28/97) The initiative that the President announced today builds on the Earned Income Tax Credit, the Family Medical Leave Act, the Child Tax Credit, the new children's health insurance program, and a host of other legislation the President has fought for to help American families.

The initiative also builds on President Clinton's continuing efforts to improve and increase funding for child care. Under President Clinton, federal funding for child care has increased by 70%, helping parents pay for the care of about one million children. The 1996 welfare reform law increased child care funding by \$4 billion over six years to provide child care assistance to low-income working families moving from welfare to work.

3. How are you going to pay for this big package?

The President's budget carefully pays for each and every element of his child care initiative. The package is funded in a variety of ways -- some on the mandatory and others on the discretionary side of the budget. The offsets for the mandatory items include -- but are not limited to -- expected revenues from a national tobacco settlement, which the President hopes and believes Congress will pass this year.

4. Since much of the funding of this proposal is based on the tobacco settlement, aren't you counting your chickens before they've hatched? What will you do if the tobacco settlement does not go through?

First, the initiative is paid for in a number of ways -- only one part comes from tobacco revenues. Second, and more important, we believe that a national tobacco settlement will pass. The President strongly supports legislation consistent with his principles, and many Republicans and Democrats alike are working vigorously to craft comprehensive legislation. Of course, no offset proposed in a budget is guaranteed; the Congress can reject any proposed way of financing a program. If Congress does not pass comprehensive tobacco legislation, we will work with Congress to find other offsets. This is a high Administration priority, and we will find an effective funding mechanism.

5. Aren't you just creating a new federal bureaucracy?

The President's child care initiative creates no new federal bureaucracy. Rather, it relies on states and communities to decide for themselves how best to address the child care challenges they face. Indeed, the funds for each major initiative flow either to states or communities, or in the case of tax credits, to individuals themselves.

6. The White House Conference on Early Learning and Development highlighted the crucial development that takes place in the first years of a child's life. Given that the best caregiver is a parent, what are you doing to help parents stay at home with their children during this important time?

The program announced today is primarily oriented toward families where both caregivers go to work, usually for reasons of financial necessity. It is designed to ensure that children in these families receive quality care even though their parents are in the workforce.

The President believes strongly, however, that we should support parents who can and choose to stay home. Today's announcement also includes two proposals that will help these parents stay at home. First, the Administration will support demonstration projects in states and communities to test policies to help new parents who choose to stay home to care for their newborns or newly adopted children. Second, the President's Early Learning Fund supports parents who stay at home by supporting home visits and parent education.

These initiatives build on President Clinton's record of providing real choices and opportunities for parents. He has fought for: a \$500 per child tax credit for families with children; the Earned Income Tax Credit that gives 15 million working families tax relief; health insurance for children; increases in the minimum wage; and the Family and Medical Leave Act. President Clinton is committed to helping parents make the choices that are right for their families, whether that means working or staying home to care for their children.

7. What role did the First Lady have in developing this initiative?

The First Lady has been a strong voice for children and families for over twenty-five years and continues to work on these issues. Mrs. Clinton played an important role in developing the White House Conference on Early Learning and Development and the White House Conference on Child Care. During the policy development process for the child care initiative, the President looked to the First Lady for her advice and expertise on the problems with the child care system and on possible solutions.

8. How do you expect to get Republican support for this initiative?

Child care traditionally has been a bipartisan issue. In fact, two of the central elements of the President's child care initiative were strongly supported by previous Republican Presidents and Members of Congress. Both Presidents Reagan and Bush supported the expansion of the Child and Dependent Care Tax Credit, and President Bush supported the creation of the Child Care and Development Block Grant.

Many Members of the House and Senate from both sides of the aisle have shown a commitment to taking action by introducing legislation that would improve the quality of child care, make it more affordable, and promote early learning. We look forward to

working with them to pass significant child care legislation this year.

TAX CREDITS

9. Today, the Child and Dependent Care Tax Credit (CDCTC) favors middle-income taxpayers and offers less relief to lower-income taxpayers. Wouldn't it be more fair to make the CDCTC refundable?

The President's proposed expansion of the CDCTC would wipe out tax liability for most families with incomes under 200% of poverty (*e.g.*, \$35,000 for a family of four) who have the maximum allowable child care expenses. In addition, the President's proposal significantly expands the Child Care and Development Block Grant, which is an effective mechanism to help low-income working families with child care costs. The two proposals together offer significant relief to both low- and middle-income parents.

10. Wouldn't eliminating the marriage penalty help millions of working families with children? Why aren't you supporting eliminating the penalty as part of your child care initiative?

The Administration believes that proposals currently on the table to eliminate the marriage penalty are prohibitively expensive in the context of a balanced budget. The President chose instead to provide targeted tax cuts to assist American families struggling to meet child care costs. These tax cuts will help more than three million families to pay for high-quality child care.

Helping working families, especially those with children, has been the centerpiece of the President's agenda on tax cuts. In 1993, the President expanded the Earned Income Tax Credit to give the average recipient with two children more than \$1,000 in tax relief. In 1997, the President signed into law a \$500 per child tax credit that will help 27 million families meet the costs of raising their children. In addition, his \$1,500 HOPE Scholarship Tax Credit and Lifelong Learning Tuition Tax Credit will help nearly 13 million students meet the costs of college and higher education. The President will continue to focus tax and overall economic policy on helping working families.

11. Won't the employer credit for child care expenses that the President is proposing create a windfall for companies already operating child care centers or otherwise subsidizing employee child care?

Very few for-profit employers are currently making child care services available to their employees. The credit will provide a real incentive to employers to create new employee child care programs. Also, for those employers who already have a child care program, the credit will help support expansion of services.

SUBSIDIES

12. Why are you expanding the Child Care and Development Block Grant (CCDBG) when states aren't using all of their child care subsidy money now?

In fact, we are very encouraged by state reports which show they have obligated over 99% of the child care fund available under the new welfare law for FY 1997. This demonstrates the tremendous need states have for child care, and President Clinton has continued to urge states to invest their dollars into helping these working families. But let's be clear—this current initiative is not aimed at mothers on welfare. It's aimed at working parents who desperately need this assistance. For example, working families with annual incomes under \$14,400 that pay for care for children under five spend 25% of their income on child care -- and even then it's difficult finding accessible, quality care.

13. According to some news stories, states have big surpluses which they could spend on child care. Rep. Clay Shaw recently issued a report saying that states have significant and growing surplus federal welfare dollars. The report also said that given the surpluses and the increase in child care funding under the new welfare law, there isn't a need now for more child care money. Why are you proposing to add to CCDBG?

The Administration is very pleased that a strong economy and state welfare reform efforts have helped families move from welfare to work. But let's be clear—this initiative is not aimed at mothers on welfare. It's aimed at working parents. For example, working families with annual incomes under \$14,400 that pay for care for children under five spend 25% of their income on child care. Currently, we're serving only a small percentage of eligible children from working families: there are approximately 10 million children who are eligible for federal child care assistance, but we are able to serve only over a million of these children.

For America's working families to succeed in the workplace, they need quality choices in affordable and accessible child care. The President's initiative, with its combination of increased subsidies for low-income families and tax credits for moderate- and middle-income families, will provide working parents the opportunity to remain self-sufficient and succeed both at home and at work.

14. When the President signed the welfare bill, he claimed that the big increase in CCDBG would make welfare reform work. Now that he is proposing adding to it, is he admitting that his previous child care efforts were not sufficient?

No. The President fought to spend \$4 billion more on child care in welfare reform legislation to help mothers on welfare go to work, and he continues to believe that child care is a critical component of welfare reform. However, low-income parents who have never been on welfare are also struggling to afford child care, and *all* working families want their

children to be in safe, healthy settings where they can learn and grow. These initiatives address the concerns and needs of *all* working families in this country. In particular, expansion of the block grant will enable many states to provide subsidies for the first time to the non-welfare working poor.

15. In order to keep up with the additional need for child care under welfare reform, aren't states creating new slots at the expense of quality? What protection do you have against states just increasing slots without regard to quality if you simply increase the block grant?

The President believes that we must make child care more affordable as well as improve quality because he believes that both are important. That is why his child care initiative includes investments in both, and that is why the President fought hard during the welfare debate to preserve 4% of funding through the child care block grant for state investments in quality.

QUALITY

16. What does the Early Learning Fund actually do? How will you measure results?

Recent scientific research has demonstrated that experiences during the earliest years of life -- before children reach school age -- are critical to their cognitive, emotional, and physical development. Nurturing and stimulating children in the first years of life help their brains develop and prepare them for the challenges of school and later life. We also know that too much child care for infants and toddlers is inadequate: one respected study found that 13% of regulated and 50% of unregulated family child care providers offer care that is inadequate for children ages zero to three. President Clinton's proposed Early Learning Fund is designed to improve early learning and development for our youngest children; to ensure health and safety in child care; and to support parents as they raise their children.

The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North Carolina's children enter school healthy and ready to succeed.

Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support.

17. How is the Early Learning Fund different from Early Head Start?

Early Head Start is a relatively small program that reaches only certain poor families. The new initiative will promote early learning and provide parent support and education to parents at a wider range of income levels. The Early Learning Fund also differs from Head Start and Early Head Start because it targets support to communities that have developed innovative approaches to foster early learning and meet the child care needs of families.

18. Wasn't the President already committed to serving one million children by 2002? What's new in this Head Start initiative?

The President's child care initiative proposes an additional \$1 billion targeted to Early Head Start to double the number of infants and toddlers served, in addition to his commitment to reauthorize all of Head Start to reach one million children by 2002. The total cost is \$3.8 billion.

19. Much of the research the White House has highlighted tells us what we need to do to ensure healthy child development. Given that these practices are the same everywhere, why have you not proposed national standards?

We do know what works. As we learned at the White House Conference on Child Care, safe facilities, ongoing guidance from health professionals, and child care providers who are well trained and adequately compensated result in quality care. However, we also learned at the conference that many states have good quality standards, but do not have the resources to fund enforcement of those standards. The President's Standards Enforcement Fund **will help states improve licensing, enforce standards, and increase unannounced inspections of child care settings**. In addition, particularly when it comes to the youngest children, different states face different challenges in their child care systems. That is why the President's Early Learning Fund gives states a menu of allowable activities to promote early learning and development so that states can concentrate on those areas where they are falling behind. In this way, the quality of care will improve across the country.

20. At the White House Conference on Child Care, you championed the National Crime Prevention and Privacy Compact. What happened to the Compact?

The National Crime Prevention and Privacy Compact has been transmitted to Congress. The Compact is an important part of the President's child care initiative, and the President will push for its passage when Congress returns.

21. Won't the scholarship fund raise the wages of child care workers, and in turn, increase the cost of child care and make it unaffordable for many families?

This proposal is modeled after North Carolina's T.E.A.C.H. program; North Carolina has not seen higher costs since it put T.E.A.C.H. in place. Because child care workers are likely to stay in their jobs longer if they are trained and better compensated, any additional costs of increased wages will be offset to some extent by savings associated with reduced staff turnover.

22. If you are proposing a huge increase in federal research of child care issues, shouldn't you wait to make policy based on what you learn from the research?

While there is much we don't know about our child care system, we do know enough to act. Child care is a pressing problem in America: 45% percent of all children under the age of one are in child care on a regular basis; much of this is inadequate; and families with annual incomes under \$14,400 that pay for care for children under five spend about 25% of their income on child care. We cannot afford to wait to improve the quality of care these children receive.

AFTER- SCHOOL PROGRAMS

23. Your after-school proposal requires programs to be run in the schools. What do you do for those children in communities where the school will not or cannot provide an after-school program?

While a major purpose of the 21st Century Learning Centers Program is to make use of underutilized school facilities, the program includes a set aside to fund programs run by community groups. In addition, the President's FY 1999 budget includes \$95 million for after school and other prevention programs administered by the Department of Justice. Innovative programs that are run by community groups in museums, recreation centers or other places outside schools may receive funding from this after-school initiative.

GENERAL

24. Much attention has been given to the au pair system since nineteen year old Louise Woodward was tried for killing a baby in her care. What are you doing to reform the au pair system?

The U.S. Information Agency (the agency that runs the au pair program) announced in September updated regulations on the screening and placement of au pairs. Under the new regulations: au pairs who care for children under two years old must have 200 or more documented hours of infant-care experience; au pair training will include 24 hours of child-development instruction; au pairs will be limited to working 10 hours a day and 45 hours a week; their pay will be increased from \$115 to \$139 a week; and the screening and selection process will be improved.

25. What are the child care options for parents who work at the White House?

Employees of the Executive Office of the President (EOP) can enroll their children in the nearby U.S. Kids Child Development Center, a center accredited by the independent National Association for the Education of Young Children. Additionally, White House parents may enroll their children in any of the 27 other Federal child care centers in the greater Washington, D.C. area.

26. What is the child care system for federal employees?

There are more than 230 child care centers for civilian government employees in federal buildings in as many as 36 states, including 108 centers overseen by the General Services Administration (GSA). Seventy-three percent of GSA sponsored centers are accredited by the independent National Association for Education of Young Children, and GSA is working to reach 100 accreditation within two years. Striving to meet the needs of parent workers, 89 of GSA centers have infant care, 74 have drop-in/emergency care, and 42 provide summer programs for school-aged children. In addition, more than 80 of centers are open 11 or more hours per day. Notably, nearly 70% of the child care center directors have ten or more years of experience in early childhood education.

27. Apparently many low-income federal employees cannot afford the federal child care system. What are you doing to help them?

The federal government, like the private sector, still faces challenges in providing affordable care to lower paid employees. GSA has studied this problem intensively this year and has released a report to Congress outlining a plan to increase revenues and enrollment, reduce operating costs, and expand the availability of tuition assistance for parents who can't afford to pay full fees.

28. You have touted the military's child care system as a model for the nation. Isn't it good because they spend so much?

While the military does invest significant resources into their child care system, they also set and enforce high quality standards (including through unannounced inspections), support family day care networks, offer a strong resource and referral system, and provide a wide variety of care options, all of which increase quality without large investments.

The Department of Defense's Child Care System serves over 200,000 children daily (age zero to 12), making it the largest employer-sponsored child care program in the nation. Through this system, the military offers full-day, part-day, and hourly child care, part-day preschools, before- and after-school programs for school age children, and extended hour care. Because of the Department of Defense's commitment to excellence in child care, since 1992, the number of military child care facilities that are accredited by the independent National Association for the Education of Young Children has risen from 55 to 353. Currently, over 75% of military child care programs are accredited, as compared to only 7% of other child care facilities nationwide.

29. Washington D.C.'s child care system is in crisis. What are you doing to improve the child care system in this city?

Administration officials, concerned over the state of child care in the District, have met with D.C. officials on several occasions to discuss ways to improve the quality of care the children who live in the District receive. A working group including major stakeholders -- the Department of Health and Human Services, the Office of Management and Budget, the office

of the Mayor, the D.C. Council, the Control Board, and other city agencies have forged a partnership to improve the quality of child care services in the District. The District's Department of Consumer and Regulatory Affairs has issued a draft Strategic Plan to improve child care quality.

In addition, the President will include D.C. as one of three to five pilot cities involved in an interagency effort to eliminate duplication and better coordinate federal funding streams for after-school programs.

CHILD CARE: A CHALLENGE FOR AMERICA'S WORKING FAMILIES

January 7, 1998

Millions of Americans, struggling to be both good parents and good workers, rely on child care and after-school programs for part of each day. As the White House Conference on Child Care showed, America's working families, more than ever, are pressed to find safe, affordable care for their children.

Millions of America's children are in child care. In 1995, of the approximately 21 million infants, toddlers, and preschool children under the age of six in the U.S., more than 12.9 million children were in child care. Forty-five percent of children under age one were in child care on a regular basis. [National Center for Education Statistics, U.S. Department of Education]

Children are in care for many hours each working day. In 1990, more than half of children under five with mothers in the workforce were in child care 35 hours or more each week. [National Child Care Survey, 1990]

Families struggle to afford child care. Working parents who rely on child care often have a hard time paying for it. In 1993, the average family with an employed mother and a child under five spent about \$74 per week for child care for all preschoolers in the family. [U.S. Department of Commerce, Bureau of the Census, 1997] Infant care is generally more expensive: in 1995, center-based care for infants averaged \$112 per week. [Cost, Quality and Child Outcomes in Child Care Centers, University of Colorado at Denver, 1995] For families with children between three and five, child care is the second or third greatest household expense. [U.S. Department of Commerce, Bureau of the Census, 1997]

In 1993, families with annual incomes under \$14,400 paying for child care for children under five years old spent 25 percent of their income on child care, compared with six percent for families with incomes of \$54,000 or more. [What Does it Cost to Mind Our Preschoolers?, U.S. Bureau of the Census, Current Pop. Reports, 1995]

Many children are in settings that are not healthy or safe and do not promote early learning and development. Recent studies have raised concerns about the quality of care:

- A four-state study of quality in child care centers found that only one in seven centers (14 percent) were rated good quality. [Cost, Quality and Child Outcomes in Child Care Centers, University of Colorado at Denver, 1995]
- According to another study, 13 percent of regulated and 50 percent of unregulated family child care providers offer care that is inadequate. [The Study of Children in Family Child Care and Relative Care, Families and Work Institute, 1994]
- In the words of one well-respected report, "Many children living in poverty receive child care that, at best, does not support their optimal development and, at worst, may compromise their health and safety." [New Findings on Children, Families, and Economic Self-Sufficiency, National Research Council, 1995]

The quality of child care matters. Research shows that when children are in better quality child care programs, they have stronger language, pre-mathematics, and social skills; better relationships with their teachers; and stronger self-esteem. In some instances, quality has even greater impact on children who are typically at-risk. [Cost, Quality, and Child Outcomes in Child Care Centers, University of Colorado, 1995]

After-school programs are in short supply. The Bureau of the Census estimates that in 1997 38.8 million children between the ages of five and 14 lived in the U.S., of whom 24 million had parents in the workforce or school. [1994 SIPP data from the Bureau of the Census] Experts estimate that nearly five million school-age children spend time as "latchkey kids" without adult supervision during a typical week. [National Institute for Out-of-School Time at Wellesley College]

Good after-school programs matter. Constructive activities for children and youth are critical to enhancing their development and keeping them out of trouble. Studies show that school-age children who are left alone after school are at greater risk of truancy, risk-taking behavior, substance abuse, poor grades, and stress. ["Characteristics of Eighth-Grade Students Who Initiate Self-Care in Elementary and Junior High School, Pediatrics, 1990] Youth between the ages of 12 and 17 are most likely to commit violent acts or be victims themselves between 2:00 pm and 6:00 pm. [OJJDP 1997]

Studies also indicate that children under adult supervision in a formal program during after-school hours show improved academic achievement and better attitudes toward school than their peers in self- or sibling-care. [Miller and Marx, 1990, in Supplement to the National Assessment of Chapter 1]

January 6, 1998

ANNOUNCEMENT OF CHILD CARE INITIATIVE

DATE: January 7, 1998
LOCATION: East Room
TIME: 2:30 p.m.
FROM: Bruce Reed
Melanne Verveer
Elena Kagan

I. PURPOSE

To announce the child care initiative in your FY 1999 budget and highlight your commitment to helping American families succeed at home and at work.

II. BACKGROUND

Your child care initiative of about \$20 billion over five years is the largest single child care investment in our nation's history. The initiative will help working families afford child care, improve the safety and quality of child care, promote early learning, and build the supply of good after-school programs.

At the White House Conferences on Early Childhood Development and on Child Care, you and the First Lady called together parents, experts, and advocates to discuss the importance of the earliest years of life and the challenge of ensuring that children get the care they need in those critical years and beyond. This initiative responds to what you heard at those conferences -- that America's working families, more than ever, are pressed to find safe, affordable care for their children. The child care initiative also builds on your record of providing opportunity to American families that includes: significant expansions of the Earned Income Tax Credit; an increase in the minimum wage; welfare reform; the Family and Medical Leave Act; children's health insurance; and the \$500 per child tax credit.

The child care initiative will:

- **Double the number of children receiving child care subsidies to more than two million by the year 2003 by increasing the Child Care and Development Block Grant by \$7.5 billion over five years.**
- **Help three million working families pay for child care by increasing their tax credits under the Child and Dependent Tax Credit (estimated at \$5.2 billion over five years).**

- **Provide a new tax credit for businesses that provide child care services for their employees (estimated at \$500 million over five years).**
- **Establish an Early Learning Fund to provide grants to communities to promote early childhood development and improve child care quality for young children, with an investment of \$3 billion over five years.**
- **Provide after-school care for 500,000 children per year by expanding the 21st Century Community Learning Center program, which provides start-up funds to school-community partnerships to establish or expand before- and after-school programs for school-age children, through an investment of \$1 billion over five years.**
- **Step up enforcement of state child care health and safety standards by establishing a Standards Enforcement Fund for state efforts to improve licensing systems and enforce standards, including by increasing unannounced inspections of child care settings, with an investment of \$500 million over five years.**
- **Promote training of child care providers by establishing a Child Care Scholarship Fund to support 50,000 scholarships per year, with an investment of \$250 million over five years.**
- **Invest in research by establishing a Research and Evaluation Fund to increase support for data, research, and evaluation in child care, as well as finance a child care hotline for parents and a National Center on Child Care Statistics, with an investment of \$150 million over five years.**
- **Increase Head Start to serve one million children by 2002 and double the number of children served by Early Head Start with an increased investment of \$3.4 billion over five years.**

Child and Dependent Tax Credit Reform	\$5.2 billion over five years
Tax Credit for Businesses	\$500 million over five years
Child Care Block Grant Increase	\$7.5 billion over five years
Standards Enforcement Fund	\$500 million over five years
Early Learning Fund	\$3 billion over five years
Head Start Increase	\$3.4 billion over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
21st Century Learning Center Program	\$1 billion over five years
TOTAL:	\$21.5 billion over five years

III. PARTICIPANTS

Briefing Participants:

Secretaries Shalala, Riley and Rubin, Bruce Reed, Gene Sperling, Melanne Verveer, Ron Klain, Elena Kagan, Susan Liss, Jennifer Klein, June Shih

Meet and Greet Participants:

Members of Congress (subject to change):

Senator Mary Landrieu
Representative Rosa L. DeLauro (D-CT)
Representative Ellen O. Tauscher (D-CA)
Representative Eleanor Holmes Norton (D-DC)
Representative Marge Roukema (R-NJ)
Representative Constance A. Morella (R-MD)
Representative James P. Moran (D-VA)
Representative Barbara B. Kennelly (C-CT)
Representative Patrick Kennedy (D-RI)
Representative Robert A. Weygand (D-RI)

Other Elected Officials:

Governor Lincoln Almond (R-RI)
State Senator Pat Piper (D-MN)
State Representative Jane Maroney (R-DE)
County Commissioner Jane Campbell (D-OH)
County Commissioner Jane Hague (R-WA)
County Councilmember Marilyn Praisner (D-MD)

Children and Families:

Bridie Eckenrode and daughter Sandy Eckenrode (8 years old)
Mark Dalton and daughter Hilary Dalton (6 years old)
Gary Dikeos and son Darien Dikeos (5 years old)
Beverly Lancaster-Hyde and daughter Camille Hyde (4 years old)
Sally D'Italia and daughter Sarah (15 years old)
Tanya Sanders and daughter Tia (15 years old)
Mary Anne Carter and son Matthew Lundy (5 years old)
Binnie Harris and son Juan Gary Jr. (4 years old)
Leslie Bermudez and daughter Vivianna (7 years old)
Marcus Wilkins and daughter Rebecca (8 years old)
Yvonne Reyes and son Mulawin Diwa Reyes-Lozada (4 years old)

Event Participants:

The President
The Vice President
The First Lady
Mrs. Gore

Cabinet Members Attending:

Secretaries Shalala, Rubin, Riley, Slater, and Administrator Barram

Audience:

Approximately 160 leaders in the child care community, including experts and advocates (see attached list). Most were also present for the White House Conference on Child Care.

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- YOU will proceed to the Red Room for a briefing.
- YOU will proceed to the Blue Room to meet with elected officials and Members of Congress.
- YOU will meet with children and their parents in the Blue Room.
- YOU, the First Lady, the Vice President, and Mrs. Gore will proceed to the East Room, accompanied by children.
- YOU, the First Lady, the Vice President, and Mrs. Gore will proceed to stage.
- YOU, the First Lady, and the Vice President will be seated on stage.
- Mrs. Gore will make opening remarks and introduce the First Lady.
- The First Lady will make remarks and introduce the Vice President.
- The Vice President will make remarks and introduce YOU.
- YOU will make remarks.
- YOU, the First Lady, the Vice President, and Mrs. Gore will depart.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jose Cerda III (CN=Jose Cerda III/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-JAN-1998 14:36:58.00

SUBJECT: Drug Testing/Treatment in State Prisons

TO: Karen A. Popp (CN=Karen A. Popp/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Leanne A. Shimabukuro (CN=Leanne A. Shimabukuro/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
EK/KP:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dawn M. Chirwa (CN=Dawn M. Chirwa/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-JAN-1998 09:57:16.00

SUBJECT: Affirmative Action guidance

TO: William R. Kincaid (CN=William R. Kincaid/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Peter Rundlet (CN=Peter Rundlet/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:

Sylvia has been asking about the guidance and whether there is a proposed roll-out plan. Is it possible to get our (Bill's and my) memorandum describing the status of the document and proposing a roll-out to her soon?

Bill: I am reviewing the most recent DoJ and ED drafts today. Can we talk at the end of the day about next steps? (We should probably meet again with the agencies to go over this draft before we start vetting.)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-JAN-1998 09:10:58.00

SUBJECT: NEW & REVISED Q & A AND POLICY ANNOUNCEMENT

TO: Amy N. Finkelstein (CN=Amy N. Finkelstein/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

TO: Kevin S. Moran (CN=Kevin S. Moran/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robin J. Bachman (CN=Robin J. Bachman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Katharine Button (CN=Katharine Button/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emil E. Parker (CN=Emil E. Parker/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Stacie Spector (CN=Stacie Spector/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Paul E. Begala (CN=Paul E. Begala/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Rahm I. Emanuel (CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elizabeth R. Newman (CN=Elizabeth R. Newman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])

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PRESIDENT CLINTON ANNOUNCES CHILD CARE INITIATIVE

January 7, 1998

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include approximately \$20 billion over five years for child care, the largest single investment in child care in the nation's history. President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.**
- **Increases tax credits for three million working families to help them pay for child care by investing \$5.2 billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.**
- **Provides after-school care for up to half a million children per year by expanding the 21st Century Community Learning Center program by \$800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.**
- **Improves child care safety and quality and enhances early childhood development by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.**

Child Care Block Grant Increase	\$7.5 billion over five years
Child and Dependent Tax Credit Reform	\$5.2 billion over five years
Tax Credit for Businesses	\$500 million over five years
After-School Program	\$800 million over five years
Early Learning Fund	\$3 billion over five years
Head Start Increase	\$3.4 billion over five years
Standards Enforcement Fund	\$500 million over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
TOTAL:	\$21.3 billion over five years

MAKES CHILD CARE MORE AFFORDABLE FOR WORKING FAMILIES

Doubles the Number of Children Receiving Child Care Subsidies to More than Two Million. The President proposes to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. This block grant is the primary federal subsidy program to pay for child care, enabling low-income parents to work. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. The President's initiative will more than double the number of children served from the one million served in FY 95 (the latest year for which data are available). The President's budget will increase funding for the block grant by \$7.5 billion (with a match) over five years, which will enable states to provide subsidies for more than two million children by 2003.

Increases Tax Credits for Child Care for Three Million Working Families. The Child and Dependent Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under \$60,000, providing an additional average tax cut of \$358 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that take the maximum allowable child care expenses under the law. The President's budget will include \$5.2 billion over five years to expand the Child and Dependent Care Tax Credit for three million working families.

Provides New Business Tax Credits. The child care initiative includes a tax credit to businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, reserving slots for employees at child care facilities, or providing child care resource and referral services to employees. The credit covers 25% of qualified costs, but may not exceed \$150,000 per year. The President's budget will include approximately \$500 million over five years for these tax credits.

PROMOTES EARLY LEARNING AND HEALTHY CHILD DEVELOPMENT

Promotes Early Learning. Research shows that children's experiences in the earliest years are critical to their development and future success. The President's proposed **Early Learning Fund provides challenge grants to communities (distributed by states) to support programs to improve early learning and the quality and safety of child care for children ages zero to five.** Funds may be used for the following activities: providing basic training to child care providers (including first aid and CPR); connecting individual child care providers to centers for education and support; assisting child care providers to meet accreditation and licensing requirements; linking child care providers with health professionals; reducing group sizes and child-to-staff ratios; and providing home visits, parent education, and consumer education about child care. The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North

Carolina's children enter school healthy and ready to succeed. Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support. The President's budget will include \$3 billion over five years for this fund.

Increases Investment in Head Start and Doubles the Number of Children Served by Early Head Start. Head Start provides early, continuous and comprehensive child development and family support services, preparing children for a lifetime of learning and development. **The President is committed to reauthorize Head Start and reach one million children by 2002. The President's budget will invest \$3.4 billion over five years to keep on track his commitment to serving one million children by 2002, and to double the number of infants and toddlers in Early Head Start to 80,000.**

IMPROVES THE QUALITY OF CHILD CARE

Steps Up Enforcement of State Health and Safety Standards. Building on the military's model child care program, this proposed initiative will fund state efforts to improve licensing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. The President's budget will include \$500 million over five years for this program.

Facilitates Background Checks on Child Care Providers. On the day of the White House Conference on Child Care, the President transmitted to Congress the National Crime Prevention and Privacy Compact, which will facilitate effective background checks on child care providers by eliminating state law barriers to sharing criminal history information for non-criminal purposes. Although the vast majority of child care providers are dedicated to the teaching and nurturing of children, one tragedy in child care is too many. Background checks are an important way to ensure that the people watching our children are fit for this responsibility.

Increases Scholarships and Training for Child Care Providers. At the White House Conference on Child Care, the President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance received and will earn increased compensation or bonuses when they complete their course work. The President proposed a federal investment of \$250 million over five years, which will support 50,000 scholarships per year. The President is also proposing to expand the Department of Labor's Child Care Apprenticeship Program to fund the training of child care providers.

Invests in Research. Because too little is known about our child care system, the President's budget will increase support for data, research, and evaluation. This research fund will also support a National Center on Child Care Statistics and a child care hotline that parents can call to get information about how to find child care in their communities and how to identify appropriate, quality care for their children. In addition, the research fund will support demonstration projects to test approaches to help new parents who choose to stay

home to care for their newborns or newly adopted children. The President's budget will include \$150 million over five years for this fund.

EXPANDS AND STREAMLINES AFTER-SCHOOL CARE

An estimated five million school-age children spend time as “latchkey kids” without adult supervision during a typical week. Research indicates that during these unsupervised hours children are more likely to engage in at-risk behavior, such as crime, drugs, and alcohol use. To meet this pressing demand, the President is proposing a dramatic expansion of after-school care.

Provides After-School Care for up to Half a Million Children a Year. The President proposes a dramatic expansion of the 21st Century Community Learning Center Program to provide start-up funds (with a local match) to school-community partnerships to establish or expand before- and after-school programs for school-age children. The program increases the supply of after-school care in a cost-effective manner primarily by funding programs that use public schools and their existing resources, such as computers, gymnasiums, and sports equipment. The program also includes a set aside to fund programs run by community organizations. The President's budget will request \$800 million of entirely new money for this program, for a total of \$1 billion over five years.

Improves Coordination of Federal After-School Initiatives to Help Communities Make Best Use of Existing Resources. The President will put in place a collaborative effort involving numerous federal agencies to eliminate duplication and better coordinate federal funding for after-school programs in three to five pilot cities, including the District of Columbia.

The President's Child Care Initiative

January 7, 1998

Internal Questions & Answers

1. What is the President announcing today?

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include approximately \$20 billion over five years for child care, the largest single investment in child care in the nation's history. President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.**
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- **Provides after-school care for 500,000 children per year by expanding the 21st Century Community Learning Center program by \$800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.**
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2. The President has been in office for five years. Why is he proposing a child care initiative now? Is this a new problem?

The child care initiative underscores President Clinton's commitment to strengthening America's families. **As the President has said, child care is** "the next great frontier if we're going to make sure all Americans can succeed at home and at work." (7/28/97) The initiative that the President announced today builds on the Earned Income Tax Credit, the Family Medical Leave Act, the Child Tax Credit, the new children's health insurance program, and a host of other legislation the President has fought for to help American families.

The initiative also builds on President Clinton's continuing efforts to improve and increase funding for child care. Under President Clinton, federal funding for child care has increased by 70%, helping parents pay for the care of about one million children. The 1996 welfare reform law increased child care funding by \$4 billion over six years to provide child care assistance to low-income working families moving from welfare to work.

3. How are you going to pay for this big package?

The President's budget carefully pays for each and every element of his child care initiative. The package is funded in a variety of ways -- some on the mandatory and others on the discretionary side of the budget. The offsets for the mandatory items include -- but are not limited to -- expected revenues from a national tobacco settlement, which the President hopes and believes Congress will pass this year.

4. Since much of the funding of this proposal is based on the tobacco settlement, aren't you counting your chickens before they've hatched? What will you do if the tobacco settlement does not go through?

First, the initiative is paid for in a number of ways -- only one part comes from tobacco revenues. Second, and more important, we believe that a national tobacco settlement will pass. The President strongly supports legislation consistent with his principles, and many Republicans and Democrats alike are working vigorously to craft comprehensive legislation. Of course, no offset proposed in a budget is guaranteed; the Congress can reject any proposed way of financing a program. If Congress does not pass comprehensive tobacco legislation, we will work with Congress to find other offsets. This is a high Administration priority, and we will find an effective funding mechanism.

5. Aren't you just creating a new federal bureaucracy?

The President's child care initiative creates no new federal bureaucracy. Rather, it relies on states and communities to decide for themselves how best to address the child care challenges they face. Indeed, the funds for each major initiative flow either to states or communities, or in the case of tax credits, to individuals themselves.

6. The White House Conference on Early Learning and Development highlighted the crucial development that takes place in the first years of a child's life. Given that the best caregiver is a parent, what are you doing to help parents stay at home with their children during this important time?

The program announced today is primarily oriented toward families where both caregivers go to work, usually for reasons of financial necessity. It is designed to ensure that children in these families receive quality care even though their parents are in the workforce.

The President believes strongly, however, that we should support parents who can and choose to stay home. Today's announcement also includes two proposals that will help these parents stay at home. First, the Administration will support demonstration projects in states and communities to test policies to help new parents who choose to stay home to care for their newborns or newly adopted children. Second, the President's Early Learning Fund supports parents who stay at home by supporting home visits and parent education.

These initiatives build on President Clinton's record of providing real choices and opportunities for parents. He has fought for: a \$500 per child tax credit for families with children; the Earned Income Tax Credit that gives 15 million working families tax relief; health insurance for children; increases in the minimum wage; and the Family and Medical Leave Act. President Clinton is committed to helping parents make the choices that are right for their families, whether that means working or staying home to care for their children.

7. What role did the First Lady have in developing this initiative?

The First Lady has been a strong voice for children and families for over twenty-five years and continues to work on these issues. Mrs. Clinton played an important role in developing the White House Conference on Early Learning and Development and the White House Conference on Child Care. During the policy development process for the child care initiative, the President looked to the First Lady for her advice and expertise on the problems with the child care system and on possible solutions.

8. How do you expect to get Republican support for this initiative?

Child care traditionally has been a bipartisan issue. In fact, two of the central elements of the President's child care initiative were strongly supported by previous Republican Presidents and Members of Congress. Both Presidents Reagan and Bush supported the expansion of the Child and Dependent Care Tax Credit, and President Bush supported the creation of the Child Care and Development Block Grant.

Many Members of the House and Senate from both sides of the aisle have shown a commitment to taking action by introducing legislation that would improve the quality of child care, make it more affordable, and promote early learning. We look forward to

working with them to pass significant child care legislation this year.

TAX CREDITS

9. Today, the Child and Dependent Care Tax Credit (CDCTC) favors middle-income taxpayers and offers less relief to lower-income taxpayers. Wouldn't it be more fair to make the CDCTC refundable?

The President's proposed expansion of the CDCTC would wipe out tax liability for most families with incomes under 200% of poverty (*e.g.*, \$35,000 for a family of four) who have the maximum allowable child care expenses. In addition, the President's proposal significantly expands the Child Care and Development Block Grant, which is an effective mechanism to help low-income working families with child care costs. The two proposals together offer significant relief to both low- and middle-income parents.

10. Wouldn't eliminating the marriage penalty help millions of working families with children? Why aren't you supporting eliminating the penalty as part of your child care initiative?

The Administration believes that proposals currently on the table to eliminate the marriage penalty are prohibitively expensive in the context of a balanced budget. The President chose instead to provide targeted tax cuts to assist American families struggling to meet child care costs. These tax cuts will help more than three million families to pay for high-quality child care.

Helping working families, especially those with children, has been the centerpiece of the President's agenda on tax cuts. In 1993, the President expanded the Earned Income Tax Credit to give the average recipient with two children more than \$1,000 in tax relief. In 1997, the President signed into law a \$500 per child tax credit that will help 27 million families meet the costs of raising their children. In addition, his \$1,500 HOPE Scholarship Tax Credit and Lifelong Learning Tuition Tax Credit will help nearly 13 million students meet the costs of college and higher education. The President will continue to focus tax and overall economic policy on helping working families.

11. Won't the employer credit for child care expenses that the President is proposing create a windfall for companies already operating child care centers or otherwise subsidizing employee child care?

Very few for-profit employers are currently making child care services available to their employees. The credit will provide a real incentive to employers to create new employee child care programs. Also, for those employers who already have a child care program, the credit will help support expansion of services.

SUBSIDIES

12. Why are you expanding the Child Care and Development Block Grant (CCDBG) when states aren't using all of their child care subsidy money now?

In fact, we are very encouraged by state reports which show they have obligated over 99% of the child care fund available under the new welfare law for FY 1997. This demonstrates the tremendous need states have for child care, and President Clinton has continued to urge states to invest their dollars into helping these working families. But let's be clear—this current initiative is not aimed at mothers on welfare. It's aimed at working parents who desperately need this assistance. For example, working families with annual incomes under \$14,400 that pay for care for children under five spend 25% of their income on child care -- and even then it's difficult finding accessible, quality care.

13. According to some news stories, states have big surpluses which they could spend on child care. Rep. Clay Shaw recently issued a report saying that states have significant and growing surplus federal welfare dollars. The report also said that given the surpluses and the increase in child care funding under the new welfare law, there isn't a need now for more child care money. Why are you proposing to add to CCDBG?

The Administration is very pleased that a strong economy and state welfare reform efforts have helped families move from welfare to work. But let's be clear—this initiative is not aimed at mothers on welfare. It's aimed at working parents. For example, working families with annual incomes under \$14,400 that pay for care for children under five spend 25% of their income on child care. Currently, we're serving only a small percentage of eligible children from working families; there are approximately 10 million children who are eligible for federal child care assistance, but we are able to serve only over a million of these children.

For America's working families to succeed in the workplace, they need quality choices in affordable and accessible child care. The President's initiative, with its combination of increased subsidies for low-income families and tax credits for moderate- and middle-income families, will provide working parents the opportunity to remain self-sufficient and succeed both at home and at work.

14. When the President signed the welfare bill, he claimed that the big increase in CCDBG would make welfare reform work. Now that he is proposing adding to it, is he admitting that his previous child care efforts were not sufficient?

No. The President fought to spend \$4 billion more on child care in welfare reform legislation to help mothers on welfare go to work, and he continues to believe that child care is a critical component of welfare reform. However, low-income parents who have never been on welfare are also struggling to afford child care, and *all* working families want their

children to be in safe, healthy settings where they can learn and grow. These initiatives address the concerns and needs of *all* working families in this country. In particular, expansion of the block grant will enable many states to provide subsidies for the first time to the non-welfare working poor.

15. In order to keep up with the additional need for child care under welfare reform, aren't states creating new slots at the expense of quality? What protection do you have against states just increasing slots without regard to quality if you simply increase the block grant?

The President believes that we must make child care more affordable as well as improve quality because he believes that both are important. That is why his child care initiative includes investments in both, and that is why the President fought hard during the welfare debate to preserve 4% of funding through the child care block grant for state investments in quality.

QUALITY

16. What does the Early Learning Fund actually do? How will you measure results?

Recent scientific research has demonstrated that experiences during the earliest years of life -- before children reach school age -- are critical to their cognitive, emotional, and physical development. Nurturing and stimulating children in the first years of life help their brains develop and prepare them for the challenges of school and later life. We also know that too much child care for infants and toddlers is inadequate: one respected study found that 13% of regulated and 50% of unregulated family child care providers offer care that is inadequate for children ages zero to three. President Clinton's proposed Early Learning Fund is designed to improve early learning and development for our youngest children; to ensure health and safety in child care; and to support parents as they raise their children.

The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North Carolina's children enter school healthy and ready to succeed.

Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support.

17. How is the Early Learning Fund different from Early Head Start?

Early Head Start is a relatively small program that reaches only certain poor families. The new initiative will promote early learning and provide parent support and education to parents at a wider range of income levels. The Early Learning Fund also differs from Head Start and Early Head Start because it targets support to communities that have developed innovative approaches to foster early learning and meet the child care needs of families.

18. Wasn't the President already committed to serving one million children by 2002? What's new in this Head Start initiative?

The President's child care initiative proposes an additional \$1 billion targeted to Early Head Start to double the number of infants and toddlers served, in addition to his commitment to reauthorize all of Head Start to reach one million children by 2002. The total cost is \$3.4 billion.

19. Much of the research the White House has highlighted tells us what we need to do to ensure healthy child development. Given that these practices are the same everywhere, why have you not proposed national standards?

We do know what works. As we learned at the White House Conference on Child Care, safe facilities, ongoing guidance from health professionals, and child care providers who are well trained and adequately compensated result in quality care. However, we also learned at the conference that many states have good quality standards, but do not have the resources to fund enforcement of those standards. The President's Standards Enforcement Fund **will help states improve licensing, enforce standards, and increase unannounced inspections of child care settings.** In addition, particularly when it comes to the youngest children, different states face different challenges in their child care systems. That is why the President's Early Learning Fund gives states a menu of allowable activities to promote early learning and development so that states can concentrate on those areas where they are falling behind. In this way, the quality of care will improve across the country.

20. At the White House Conference on Child Care, you championed the National Crime Prevention and Privacy Compact. What happened to the Compact?

The National Crime Prevention and Privacy Compact has been transmitted to Congress. The Compact is an important part of the President's child care initiative, and the President will push for its passage when Congress returns.

21. Won't the scholarship fund raise the wages of child care workers, and in turn, increase the cost of child care and make it unaffordable for many families?

This proposal is modeled after North Carolina's T.E.A.C.H. program; North Carolina has not seen higher costs since it put T.E.A.C.H. in place. Because child care workers are likely to stay in their jobs longer if they are trained and better compensated, any additional costs of increased wages will be offset to some extent by savings associated with reduced staff turnover.

22. If you are proposing a huge increase in federal research of child care issues, shouldn't you wait to make policy based on what you learn from the research?

While there is much we don't know about our child care system, we do know enough to act. Child care is a pressing problem in America: 45% percent of all children under the age of one are in child care on a regular basis; much of this is inadequate; and families with annual incomes under \$14,400 that pay for care for children under five spend about 25% of their income on child care. We cannot afford to wait to improve the quality of care these children receive.

AFTER- SCHOOL PROGRAMS

23. Your after-school proposal requires programs to be run in the schools. What do you do for those children in communities where the school will not or cannot provide an after-school program?

While a major purpose of the 21st Century Learning Centers Program is to make use of underutilized school facilities, the program includes a set aside to fund programs run by community groups. In addition, the President's FY 1999 budget includes \$95 million for after school and other prevention programs administered by the Department of Justice. Innovative programs that are run by community groups in museums, recreation centers or other places outside schools may receive funding from this after-school initiative.

GENERAL

24. Much attention has been given to the au pair system since nineteen year old Louise Woodward was tried for killing a baby in her care. What are you doing to reform the au pair system?

The U.S. Information Agency (the agency that runs the au pair program) announced in September updated regulations on the screening and placement of au pairs. Under the new regulations: au pairs who care for children under two years old must have 200 or more documented hours of infant-care experience; au pair training will include 24 hours of child-development instruction; au pairs will be limited to working 10 hours a day and 45 hours a week; their pay will be increased from \$115 to \$139 a week; and the screening and selection process will be improved.

25. What are the child care options for parents who work at the White House?

Employees of the Executive Office of the President (EOP) can enroll their children in the nearby U.S. Kids Child Development Center, a center accredited by the independent National Association for the Education of Young Children. Additionally, White House parents may enroll their children in any of the 27 other Federal child care centers in the greater Washington, D.C. area.

26. What is the child care system for federal employees? Automated Records Management System
Hex-Dump Conversion

There are more than 230 child care centers for civilian government employees in federal buildings in as many as 36 states, including 108 centers overseen by the General Services Administration (GSA). Seventy-three percent of GSA sponsored centers are accredited by the independent National Association for Education of Young Children, and GSA is working to reach 100 accreditation within two years. Striving to meet the needs of parent workers, 89 of GSA centers have infant care, 74 have drop-in/emergency care, and 42 provide summer programs for school-aged children. In addition, more than 80 of centers are open 11 or more hours per day. Notably, nearly 70% of the child care center directors have ten or more years of experience in early childhood education.

27. Apparently many low-income federal employees cannot afford the federal child care system. What are you doing to help them?

The federal government, like the private sector, still faces challenges in providing affordable care to lower paid employees. GSA has studied this problem intensively this year and has released a report to Congress outlining a plan to increase revenues and enrollment, reduce operating costs, and expand the availability of tuition assistance for parents who can't afford to pay full fees.

28. You have touted the military's child care system as a model for the nation. Isn't it good because they spend so much?

While the military does invest significant resources into their child care system, they also set and enforce high quality standards (including through unannounced inspections), support family day care networks, offer a strong resource and referral system, and provide a wide variety of care options, all of which increase quality without large investments.

The Department of Defense's Child Care System serves over 200,000 children daily (age zero to 12), making it the largest employer-sponsored child care program in the nation. Through this system, the military offers full-day, part-day, and hourly child care, part-day preschools, before- and after-school programs for school age children, and extended hour care. Because of the Department of Defense's commitment to excellence in child care, since 1992, the number of military child care facilities that are accredited by the independent National Association for the Education of Young Children has risen from 55 to 353. Currently, over 75% of military child care programs are accredited, as compared to only 7% of other child care facilities nationwide.

29. Washington D.C.'s child care system is in crisis. What are you doing to improve the child care system in this city?

Administration officials, concerned over the state of child care in the District, have met with D.C. officials on several occasions to discuss ways to improve the quality of care the children who live in the District receive. A working group including major stakeholders -- the Department of Health and Human Services, the Office of Management and Budget, the office

of the Mayor, the D.C. Council, the Control Board, and other city agencies have forged a partnership to improve the quality of child care services in the District. The District's Department of Consumer and Regulatory Affairs has issued a draft Strategic Plan to improve child care quality.

In addition, the President will include D.C. as one of three to five pilot cities involved in an interagency effort to eliminate duplication and better coordinate federal funding streams for after-school programs.

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TO: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: WEINSTEIN_P (WEINSTEIN_P @ A1 @ CD @ LNGTWY [UNKNOWN]) (OPD)

READ:UNKNOWN

TEXT:

1/8 Travel NY
1/9 Travel TX
McAllen - announce work study proposal
Brownsville and Houston - higher ed. accomplishments
Tape Radio Address on Cloning
1/12 OPEN for Message event.
1/13 Interviews
1/14 Possible Democratic Unity Event
Could need Message event
1/15 Travel NY - MLK Wall Street Project Event
1/16 Baltic Leaders Meeting
1/19 Service event observing MLK Day
1/20 Meeting with Netanyahu
1/21 Lehrer Briefing and announcement
1/22 Meeting with Arafat
1/23 Possible Cabinet Meeting
SOTU Prep
1/27 SOTU
1/28 SOTU Follow up Travel
1/29 Meeting with CINC's
1/30 US Conf. of Mayors Breakfast

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP [OSTP])

CREATION DATE/TIME: 7-JAN-1998 12:33:35.00

SUBJECT: News Flash -- First Charge Filed by DoJ in its criminal investigation of t

TO: Toby Donenfeld (CN=Toby Donenfeld/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TO: Ron Klain (CN=Ron Klain/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP @ OVP [UNKNOWN])

READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce R. Lindsey (CN=Bruce R. Lindsey/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TEXT:

DNA Plant Technology Corp., a California biotech company, agreed today to plead guilty to conspiring with an unnamed (B&W) tobacco company to grow tobacco with a high nicotine content. This was the first charge filed in DoJ's broad investigation of the tobacco industry. The gov't cited the tobacco company as an unindicted coconspirator but refused to identify it by name. However, the entire episode, including B&W's role, was first revealed as part of FDA's investigation, is a matter of public record, and was presented by Kessler at a Congressional hearing in 1994.

B&W and the biotech firm devised a scheme to develop high nicotine yield plants. The seeds were developed in the U.S., sent to Brazil (I believe this where the law was violated), high nicotine-yield plants were grown in Brazil and then shipped back to the U.S. B&W's goal was to develop a reliable source of high-nicotine tobacco that it could use to control and manipulate the nicotine levels of its cigarettes.

I recommend that we refer press inquiries to DoJ for comment.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-JAN-1998 09:50:20.00

SUBJECT: JAN 21 HEARING ON NATIONAL TESTS

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

ED has just learned that Buck McKeon will be holding a hearing on the national tests in Granada Hills (outside of San Diego, they think) on Jan. 21. Here is the friendly line-up they are trying to arrange:

Panel 1: Maxine Waters and Xavier Becera

Panel 2: Pete Wilson

Panel 3: Some other state officials including, most likely, Wilson appointees to the State Board of Education

Panel 4: MALDEF

At a minimum, it would probably be good if we could get Waters and Becera not to testify. ANY other ideas?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Lisa M. Mallory (CN=Lisa M. Mallory/O=OVP [UNKNOWN])

CREATION DATE/TIME: 7-JAN-1998 10:40:29.00

SUBJECT: Campaign Finance Reform Meeting

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Charles W. Burson (CN=Charles W. Burson/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Michael Waldman (CN=Michael Waldman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Paul J. Weinstein Jr. (CN=Paul J. Weinstein Jr./OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Morley A. Winograd (CN=Morley A. Winograd/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:

Morley Winograd would like to convene a Campaign Finance Reform Meeting at 3:00 p.m. on THURSDAY, JANUARY 15th, location TBD. Please let me know if this is not convenient.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Cathy R. Mays (CN=Cathy R. Mays/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-JAN-1998 09:23:04.00

SUBJECT: Tobacco Strategy Meeting

TO: Charles F. Stone (CN=Charles F. Stone/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

TO: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TO: Sherman G. Boone (CN=Sherman G. Boone/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Gene B. Sperling (CN=Gene B. Sperling/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Barry J. Toiv (CN=Barry J. Toiv/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Barbara D. Woolley (CN=Barbara D. Woolley/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Donald H. Gips (CN=Donald H. Gips/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Jeanne Lambrew (CN=Jeanne Lambrew/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Thomas L. Freedman (CN=Thomas L. Freedman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Christopher C. Jennings (CN=Christopher C. Jennings/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Peter R. Orszag (CN=Peter R. Orszag/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Daniel K. Tarullo (CN=Daniel K. Tarullo/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Bruce R. Lindsey (CN=Bruce R. Lindsey/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Toby Donenfeld (CN=Toby Donenfeld/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Jerold R. Mande (CN=Jerold R. Mande/OU=OSTP/O=EOP @ EOP [OSTP])
READ:UNKNOWN

TO: Mary L. Smith (CN=Mary L. Smith/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

CC: weinstein_dena (weinstein_dena @ ustr.gov @ INET @ LNGTWY [UNKNOWN])
READ:UNKNOWN

CC: Dan J. Taylor (CN=Dan J. Taylor/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

CC: Kristen E. Panerali (CN=Kristen E. Panerali/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Melissa M. Murray (CN=Melissa M. Murray/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Laura Emmett (CN=Laura Emmett/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

CC: Jill M. Pizzuto (CN=Jill M. Pizzuto/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Peter A. Weissman (CN=Peter A. Weissman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

We will be having the Tobacco Strategy Meeting on tomorrow, January 8, at 2:45 p.m. in Room 211.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-JAN-1998 00:55:40.00

SUBJECT: Child Care Policy Announcement and Q & A

TO: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Amy N. Finkelstein (CN=Amy N. Finkelstein/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

TO: Kevin S. Moran (CN=Kevin S. Moran/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robin J. Bachman (CN=Robin J. Bachman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Katharine Button (CN=Katharine Button/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emil E. Parker (CN=Emil E. Parker/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Stacie Spector (CN=Stacie Spector/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Paul E. Begala (CN=Paul E. Begala/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Rahm I. Emanuel (CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elizabeth R. Newman (CN=Elizabeth R. Newman/OU=WHO/O=EOP @ EOP [WHO])

READ:UNKNOWN

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Attached please find the policy announcement paper and the Q & A for the child care event.

===== ATTACHMENT 1 =====
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D85]MAIL43124060C.026 to ASCII,
The following is a HEX DUMP:

FF575043A40F0000010A020100000002050000009D5C000000020000995044CD02047DE82E4A8F
CB49A876BE57F0542209792F14FA9A45E6BE052ACAF1B78FA510BBEDC11CFFB6EFD9D9438AC4DB

The President's Child Care Initiative

January 7, 1998

Automated Records Management System

Internal Questions & Answers

Hex-Dump Conversion

1. What is the President announcing today?

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include approximately \$20 billion over five years for child care, the largest single investment in child care in the nation's history. President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.**
- **Increases tax credits for three million working families to help them pay for child care by investing \$5.2 billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.**
- **Provides after-school care for 500,000 children per year by expanding the 21st Century Community Learning Center program by \$1 billion over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.**
- **Improves child care safety and quality and enhances early childhood development by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.**

Child Care Block Grant Increase	\$7.5 billion over five years
Child and Dependent Tax Credit Reform	\$5.2 billion over five years
Tax Credit for Businesses	\$500 million over five years
After-School Program	\$1 billion over five years
Early Learning Fund	\$3 billion over five years
Head Start Increase	\$3.4 billion over five years
Standards Enforcement Fund	\$500 million over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
TOTAL:	\$21.5 billion over five years

2. The President has been in office for five years. Why is he proposing a child care initiative now? Is this a new problem?

The child care initiative underscores President Clinton's commitment to strengthening America's families. **As the President has said, child care is** "the next great frontier if we're going to make sure all Americans can succeed at home and at work." (7/28/97) The initiative that the President announced today builds on the Earned Income Tax Credit, the Family Medical Leave Act, the Child Tax Credit, the new children's health insurance program, and a host of other legislation the President has fought for to help American families.

The initiative also builds on President Clinton's continuing efforts to improve and increase funding for child care. Under President Clinton, federal funding for child care has increased by 70%, helping parents pay for the care of about one million children. The 1996 welfare reform law increased child care funding by \$4 billion over six years to provide child care assistance to low-income working families moving from welfare to work.

3. How are you going to pay for this big package?

The President's budget carefully pays for each and every element of his child care initiative. The package is funded in a variety of ways -- some on the mandatory and others on the discretionary side of the budget. The offsets for the mandatory items include -- but are not limited to -- expected revenues from a national tobacco settlement, which the President hopes and believes Congress will pass this year.

4. Since much of the funding of this proposal is based on the tobacco settlement, aren't you counting your chickens before they've hatched? What will you do if the tobacco settlement does not go through?

First, the initiative is paid for in a number of ways -- only one part comes from tobacco revenues. Second, and more important, we believe that a national tobacco settlement will pass. The President strongly supports legislation consistent with his principles, and many Republicans and Democrats alike are working vigorously to craft comprehensive legislation. Of course, no offset proposed in a budget is guaranteed; the Congress can reject any proposed way of financing a program. If Congress does not pass comprehensive tobacco legislation, we will work with Congress to find other offsets. This is a high Administration priority, and we will find an effective funding mechanism.

5. Aren't you just creating a new federal bureaucracy?

The President's child care initiative creates no new federal bureaucracy. Rather, it relies on states and communities to decide for themselves how best to address the child care challenges they face. Indeed, the funds for each major initiative flow either to states or communities, or in the case of tax credits, to individuals themselves.

6. The White House Conference on Early Learning and Development highlighted the crucial development that takes place in the first years of a child's life. Given that the best caregiver is a parent, what are you doing to help parents stay at home with their children during this important time?

The program announced today is primarily oriented toward families where both caregivers go to work, usually for reasons of financial necessity. It is designed to ensure that children in these families receive quality care even though their parents are in the workforce.

The President believes strongly, however, that we should support parents who can and choose to stay home. Today's announcement also includes two proposals that will help these parents stay at home. First, the Administration will support demonstration projects in states and communities to test policies to help new parents who choose to stay home to care for their newborns or newly adopted children. Second, the President's Early Learning Fund supports parents who stay at home by supporting home visits and parent education.

These initiatives build on President Clinton's record of providing real choices and opportunities for parents. He has fought for: a \$500 per child tax credit for families with children; the Earned Income Tax Credit that gives 15 million working families tax relief; health insurance for children; increases in the minimum wage; and the Family and Medical Leave Act. President Clinton is committed to helping parents make the choices that are right for their families, whether that means working or staying home to care for their children.

7. What role did the First Lady have in developing this initiative?

The First Lady has been a strong voice for children and families for over twenty-five years and continues to work on these issues. Mrs. Clinton played an important role in developing the White House Conference on Early Learning and Development and the White House Conference on Child Care. During the policy development process for the child care initiative, the President looked to the First Lady for her advice and expertise on the problems with the child care system and on possible solutions.

8. How do you expect to get Republican support for this initiative?

Child care traditionally has been a bipartisan issue. In fact, two of the central elements of the President's child care initiative were strongly supported by previous Republican Presidents and Members of Congress. Both Presidents Reagan and Bush supported the expansion of the Child and Dependent Care Tax Credit, and President Bush supported the creation of the Child Care and Development Block Grant.

Many Members of the House and Senate from both sides of the aisle have shown a commitment to taking action by introducing legislation that would improve the quality of child care, make it more affordable, and promote early learning. We look forward to

working with them to pass significant child care legislation this year.

TAX CREDITS

9. Today, the Child and Dependent Care Tax Credit (CDCTC) favors middle-income taxpayers and offers less relief to lower-income taxpayers. Wouldn't it be more fair to make the CDCTC refundable?

The President's proposed expansion of the CDCTC would wipe out tax liability for most families with incomes under 200% of poverty (*e.g.*, \$35,000 for a family of four) who have the maximum allowable child care expenses. In addition, the President's proposal significantly expands the Child Care and Development Block Grant, which is an effective mechanism to help low-income working families with child care costs. The two proposals together offer significant relief to both low- and middle-income parents.

10. Wouldn't eliminating the marriage penalty help millions of working families with children? Why aren't you supporting eliminating the penalty as part of your child care initiative?

The Administration believes that proposals currently on the table to eliminate the marriage penalty are prohibitively expensive in the context of a balanced budget. The President chose instead to provide targeted tax cuts to assist American families struggling to meet child care costs. These tax cuts will help more than three million families to pay for high-quality child care.

Helping working families, especially those with children, has been the centerpiece of the President's agenda on tax cuts. In 1993, the President expanded the Earned Income Tax Credit to give the average recipient with two children more than \$1,000 in tax relief. In 1997, the President signed into law a \$500 per child tax credit that will help 27 million families meet the costs of raising their children. In addition, his \$1,500 HOPE Scholarship Tax Credit and Lifelong Learning Tuition Tax Credit will help nearly 13 million students meet the costs of college and higher education. The President will continue to focus tax and overall economic policy on helping working families.

11. Won't the employer credit for child care expenses that the President is proposing create a windfall for companies already operating child care centers or otherwise subsidizing employee child care?

Very few for-profit employers are currently making child care services available to their employees. The credit will provide a real incentive to employers to create new employee child care programs. Also, for those employers who already have a child care program, the credit will help support expansion of services.

SUBSIDIES

12. Why are you expanding the Child Care and Development Block Grant (CCDBG) when states aren't using all of their child care subsidy money now?

In fact, we are very encouraged by state reports which show they have obligated over 99 of the child care fund available under the new welfare law for FY 1997. This demonstrates the tremendous need states have for child care, and President Clinton has continued to urge states to invest their dollars into helping these working families. But let's be clear—this current initiative is not aimed at mothers on welfare. It's aimed at working parents who desperately need this assistance. For example, working families with annual incomes under \$14,400 that pay for care for children under five spend 25 of their income on child care -- and even then it's difficult finding accessible, quality care.

13. According to some news stories, states have big surpluses which they could spend on child care. Rep. Clay Shaw recently issued a report saying that states have significant and growing surplus federal welfare dollars. The report also said that given the surpluses and the increase in child care funding under the new welfare law, there isn't a need now for more child care money. Why are you proposing to add to CCDBG?

The Administration is very pleased that a strong economy and state welfare reform efforts have helped families move from welfare to work. But let's be clear—this initiative is not aimed at mothers on welfare. It's aimed at working parents. For example, working families with annual incomes under \$14,400 that pay for care for children under five spend 25% of their income on child care. Currently, we're serving only a small percentage of eligible children from working families: there are approximately 10 million children who are eligible for federal child care assistance, but we are able to serve only over a million of these children.

For America's working families to succeed in the workplace, they need quality choices in affordable and accessible child care. The President's initiative, with its combination of increased subsidies for low-income families and tax credits for moderate- and middle-income families, will provide working parents the opportunity to remain self-sufficient and succeed both at home and at work.

14. When the President signed the welfare bill, he claimed that the big increase in CCDBG would make welfare reform work. Now that he is proposing adding to it, is he admitting that his previous child care efforts were not sufficient?

No. The President fought to spend \$4 billion more on child care in welfare reform legislation to help mothers on welfare go to work, and he continues to believe that child care is a critical component of welfare reform. However, low-income parents who have never been on welfare are also struggling to afford child care, and *all* working families want their

children to be in safe, healthy settings where they can learn and grow. These initiatives address the concerns and needs of *all* working families in this country. In particular, expansion of the block grant will enable many states to provide subsidies for the first time to the non-welfare working poor.

15. In order to keep up with the additional need for child care under welfare reform, aren't states creating new slots at the expense of quality? What protection do you have against states just increasing slots without regard to quality if you simply increase the block grant?

The President believes that we must make child care more affordable as well as improve quality because he believes that both are important. That is why his child care initiative includes investments in both, and that is why the President fought hard during the welfare debate to preserve 4% of funding through the child care block grant for state investments in quality.

QUALITY

16. What does the Early Learning Fund actually do? How will you measure results?

Recent scientific research has demonstrated that experiences during the earliest years of life -- before children reach school age -- are critical to their cognitive, emotional, and physical development. Nurturing and stimulating children in the first years of life help their brains develop and prepare them for the challenges of school and later life. We also know that too much child care for infants and toddlers is inadequate: one respected study found that 13% of regulated and 50% of unregulated family child care providers offer care that is inadequate for children ages zero to three. President Clinton's proposed Early Learning Fund is designed to improve early learning and development for our youngest children; to ensure health and safety in child care; and to support parents as they raise their children.

The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North Carolina's children enter school healthy and ready to succeed.

Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support.

17. How is the Early Learning Fund different from Early Head Start?

Early Head Start is a relatively small program that reaches only certain poor families. The new initiative will promote early learning and provide parent support and education to parents at a wider range of income levels. The Early Learning Fund also differs from Head Start and Early Head Start because it targets support to communities that have developed innovative approaches to foster early learning and meet the child care needs of families.

18. Wasn't the President already committed to serving one million children by 2002? What's new in this Head Start initiative?

The President's child care initiative proposes an additional \$1 billion targeted to Early Head Start to double the number of infants and toddlers served, in addition to his commitment to reauthorize all of Head Start to reach one million children by 2002. The total cost is \$3.4 billion.

19. Much of the research the White House has highlighted tells us what we need to do to ensure healthy child development. Given that these practices are the same everywhere, why have you not proposed national standards?

We do know what works. As we learned at the White House Conference on Child Care, safe facilities, ongoing guidance from health professionals, and child care providers who are well trained and adequately compensated result in quality care. However, we also learned at the conference that many states have good quality standards, but do not have the resources to fund enforcement of those standards. The President's Standards Enforcement Fund **will help states improve licensing, enforce standards, and increase unannounced inspections of child care settings.** In addition, particularly when it comes to the youngest children, different states face different challenges in their child care systems. That is why the President's Early Learning Fund gives states a menu of allowable activities to promote early learning and development so that states can concentrate on those areas where they are falling behind. In this way, the quality of care will improve across the country.

20. At the White House Conference on Child Care, you championed the National Crime Prevention and Privacy Compact. What happened to the Compact?

The National Crime Prevention and Privacy Compact has been transmitted to Congress. The Compact is an important part of the President's child care initiative, and the President will push for its passage when Congress returns.

21. Won't the scholarship fund raise the wages of child care workers, and in turn, increase the cost of child care and make it unaffordable for many families?

This proposal is modeled after North Carolina's T.E.A.C.H. program; North Carolina has not seen higher costs since it put T.E.A.C.H. in place. Because child care workers are likely to stay in their jobs longer if they are trained and better compensated, any additional costs of increased wages will be offset to some extent by savings associated with reduced staff turnover.

22. If you are proposing a huge increase in federal research of child care issues, shouldn't you wait to make policy based on what you learn from the research?

While there is much we don't know about our child care system, we do know enough to act. Child care is a pressing problem in America: 45% percent of all children under the age of one are in child care on a regular basis; much of this is inadequate; and families with annual incomes under \$14,400 that pay for care for children under five spend about 25% of their income on child care. We cannot afford to wait to improve the quality of care these children receive.

AFTER- SCHOOL PROGRAMS

23. Your after-school proposal requires programs to be run in the schools. What do you do for those children in communities where the school will not or cannot provide an after-school program?

While a major purpose of the 21st Century Learning Centers Program is to make use of underutilized school facilities, the program includes a set aside to fund programs run by community groups. In addition, the President's FY 1999 budget includes \$95 million for after school and other prevention programs administered by the Department of Justice. Innovative programs that are run by community groups in museums, recreation centers or other places outside schools may receive funding from this after-school initiative.

GENERAL

24. Much attention has been given to the au pair system since nineteen year old Louise Woodward was tried for killing a baby in her care. What are you doing to reform the au pair system?

The U.S. Information Agency (the agency that runs the au pair program) announced in September updated regulations on the screening and placement of au pairs. Under the new regulations: au pairs who care for children under two years old must have 200 or more documented hours of infant-care experience; au pair training will include 24 hours of child-development instruction; au pairs will be limited to working 10 hours a day and 45 hours a week; their pay will be increased from \$115 to \$139 a week; and the screening and selection process will be improved.

25. What are the child care options for parents who work at the White House?

Employees of the Executive Office of the President (EOP) can enroll their children in the nearby U.S. Kids Child Development Center, a center accredited by the independent National Association for the Education of Young Children. Additionally, White House parents may enroll their children in any of the 27 other Federal child care centers in the greater Washington, D.C. area.

26. What is the child care system for federal employees?

There are more than 230 child care centers for civilian government employees in federal buildings in as many as 36 states, including 108 centers overseen by the General Services Administration (GSA). Seventy-three percent of GSA sponsored centers are accredited by the independent National Association for Education of Young Children, and GSA is working to reach 100 accreditation within two years. Striving to meet the needs of parent workers, 89 of GSA centers have infant care, 74 have drop-in/emergency care, and 42 provide summer programs for school-aged children. In addition, more than 80 of centers are open 11 or more hours per day. Notably, nearly 70% of the child care center directors have ten or more years of experience in early childhood education.

27. Apparently many low-income federal employees cannot afford the federal child care system. What are you doing to help them?

The federal government, like the private sector, still faces challenges in providing affordable care to lower paid employees. GSA has studied this problem intensively this year and has released a report to Congress outlining a plan to increase revenues and enrollment, reduce operating costs, and expand the availability of tuition assistance for parents who can't afford to pay full fees.

28. You have touted the military's child care system as a model for the nation. Isn't it good because they spend so much?

While the military does invest significant resources into their child care system, they also set and enforce high quality standards (including through unannounced inspections), support family day care networks, offer a strong resource and referral system, and provide a wide variety of care options, all of which increase quality without large investments.

The Department of Defense's Child Care System serves over 200,000 children daily (age zero to 12), making it the largest employer-sponsored child care program in the nation. Through this system, the military offers full-day, part-day, and hourly child care, part-day preschools, before- and after-school programs for school age children, and extended hour care. Because of the Department of Defense's commitment to excellence in child care, since 1992, the number of military child care facilities that are accredited by the independent National Association for the Education of Young Children has risen from 55 to 353. Currently, over 75% of military child care programs are accredited, as compared to only 7% of other child care facilities nationwide.

29. Washington D.C.'s child care system is in crisis. What are you doing to improve the child care system in this city?

Administration officials, concerned over the state of child care in the District, have met with D.C. officials on several occasions to discuss ways to improve the quality of care the children who live in the District receive. A working group including major stakeholders -- the Department of Health and Human Services, the Office of Management and Budget, the office

of the Mayor, the D.C. Council, the Control Board, and other city agencies have forged a partnership to improve the quality of child care services in the District. The District's Department of Consumer and Regulatory Affairs has issued a draft Strategic Plan to improve child care quality.

In addition, the President will include D.C. as one of three to five pilot cities involved in an interagency effort to eliminate duplication and better coordinate federal funding streams for after-school programs.

PRESIDENT CLINTON ANNOUNCES CHILD CARE INITIATIVE

January 7, 1998

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include approximately \$20 billion over five years for child care, the largest single investment in child care in the nation's history. President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.**
- **Increases tax credits for three million working families to help them pay for child care by investing \$5.2 billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.**
- **Provides after-school care for up to half a million children per year by expanding the 21st Century Community Learning Center program by \$1 billion over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.**
- **Improves child care safety and quality and enhances early childhood development by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.**

Child Care Block Grant Increase	\$7.5 billion over five years
Child and Dependent Tax Credit Reform	\$5.2 billion over five years
Tax Credit for Businesses	\$500 million over five years
After-School Program	\$1 billion over five years
Early Learning Fund	\$3 billion over five years
Head Start Increase	\$3.4 billion over five years
Standards Enforcement Fund	\$500 million over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
TOTAL:	\$21.5 billion over five years

MAKES CHILD CARE MORE AFFORDABLE FOR WORKING FAMILIES

Doubles the Number of Children Receiving Child Care Subsidies to More than Two Million. The President proposes to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. This block grant is the primary federal subsidy program to pay for child care, enabling low-income parents to work. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. The President's initiative will more than double the number of children served from the one million served in FY 95 (the latest year for which data are available). The President's budget will increase funding for the block grant by \$7.5 billion (with a match) over five years, which will enable states to provide subsidies for more than two million children by 2003.

Increases Tax Credits for Child Care for Three Million Working Families. The Child and Dependent Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under \$60,000, providing an additional average tax cut of \$358 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that take the maximum allowable child care expenses under the law. The President's budget will include \$5.2 billion over five years to expand the Child and Dependent Care Tax Credit for three million working families.

Provides New Business Tax Credits. The child care initiative includes a tax credit to businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, reserving slots for employees at child care facilities, or providing child care resource and referral services to employees. The credit covers 25% of qualified costs, but may not exceed \$150,000 per year. The President's budget will include approximately \$500 million over five years for these tax credits.

PROMOTES EARLY LEARNING AND HEALTHY CHILD DEVELOPMENT

Promotes Early Learning. Research shows that children's experiences in the earliest years are critical to their development and future success. The President's proposed **Early Learning Fund provides challenge grants to communities (distributed by states) to support programs to improve early learning and the quality and safety of child care for children ages zero to five.** Funds may be used for the following activities: providing basic training to child care providers (including first aid and CPR); connecting individual child care providers to centers for education and support; assisting child care providers to meet accreditation and licensing requirements; linking child care providers with health professionals; reducing group sizes and child-to-staff ratios; and providing home visits, parent education, and consumer education about child care. The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North

Carolina's children enter school healthy and ready to succeed. Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support. The President's budget will include \$3 billion over five years for this fund.

Increases Investment in Head Start and Doubles the Number of Children Served by Early Head Start. Head Start provides early, continuous and comprehensive child development and family support services, preparing children for a lifetime of learning and development. **The President is committed to reauthorize Head Start and reach one million children by 2002. The President's budget will invest \$3.4 billion over five years to keep on track his commitment to serving one million children by 2002, and to double the number of infants and toddlers in Early Head Start to 80,000.**

IMPROVES THE QUALITY OF CHILD CARE

Steps Up Enforcement of State Health and Safety Standards. Building on the military's model child care program, this proposed initiative will fund state efforts to improve licensing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. The President's budget will include \$500 million over five years for this program.

Facilitates Background Checks on Child Care Providers. On the day of the White House Conference on Child Care, the President transmitted to Congress the National Crime Prevention and Privacy Compact, which will facilitate effective background checks on child care providers by eliminating state law barriers to sharing criminal history information for non-criminal purposes. Although the vast majority of child care providers are dedicated to the teaching and nurturing of children, one tragedy in child care is too many. Background checks are an important way to ensure that the people watching our children are fit for this responsibility.

Increases Scholarships and Training for Child Care Providers. At the White House Conference on Child Care, the President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance received and will earn increased compensation or bonuses when they complete their course work. The President proposed a federal investment of \$250 million over five years, which will support 50,000 scholarships per year. The President is also proposing to expand the Department of Labor's Child Care Apprenticeship Program to fund the training of child care providers.

Invests in Research. Because too little is known about our child care system, the President's budget will increase support for data, research, and evaluation. This research fund will also support a National Center on Child Care Statistics and a child care hotline that parents can call to get information about how to find child care in their communities and how to identify appropriate, quality care for their children. In addition, the research fund will support demonstration projects to test approaches to help new parents who choose to stay

home to care for their newborns or newly adopted children. The President's budget will include \$150 million over five years for this fund.

EXPANDS AND STREAMLINES AFTER-SCHOOL CARE

An estimated five million school-age children spend time as "latchkey kids" without adult supervision during a typical week. Research indicates that during these unsupervised hours children are more likely to engage in at-risk behavior, such as crime, drugs, and alcohol use. To meet this pressing demand, the President is proposing a dramatic expansion of after-school care.

Provides After-School Care for up to Half a Million Children a Year. The President proposes a dramatic expansion of the 21st Century Community Learning Center Program to provide start-up funds (with a local match) to school-community partnerships to establish or expand before- and after-school programs for school-age children. The program increases the supply of after-school care in a cost-effective manner primarily by funding programs that use public schools and their existing resources, such as computers, gymnasiums, and sports equipment. The program also includes a set aside to fund programs run by community organizations. The President's budget will include \$1 billion over five years for this program.

Improves Coordination of Federal After-School Initiatives to Help Communities Make Best Use of Existing Resources. The President will put in place a collaborative effort involving numerous federal agencies to eliminate duplication and better coordinate federal funding for after-school programs in three to five pilot cities, including the District of Columbia.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-JAN-1998 10:56:03.00

SUBJECT: New and Revised paper

TO: Amy N. Finkelstein (CN=Amy N. Finkelstein/OU=CEA/O=EOP @ EOP [CEA])
READ:UNKNOWN

TO: Kevin S. Moran (CN=Kevin S. Moran/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Robin J. Bachman (CN=Robin J. Bachman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emily Bromberg (CN=Emily Bromberg/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Maria Echaveste (CN=Maria Echaveste/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Katharine Button (CN=Katharine Button/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Emil E. Parker (CN=Emil E. Parker/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Andrea Kane (CN=Andrea Kane/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Stacie Spector (CN=Stacie Spector/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Paul E. Begala (CN=Paul E. Begala/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Rahm I. Emanuel (CN=Rahm I. Emanuel/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Janet Murguia (CN=Janet Murguia/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elizabeth R. Newman (CN=Elizabeth R. Newman/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])

READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

Thes have a small change, but is more correct. You can decide whether you want to redistribute.

===== ATTACHMENT 1 =====
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The President's Child Care Initiative

January 7, 1998

Internal Questions & Answers

1. What is the President announcing today?

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include approximately \$20 billion over five years for child care, the largest single investment in child care in the nation's history. President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- **Doubles the number of children receiving child care subsidies to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.**
- **Increases tax credits for three million working families to help them pay for child care by investing \$5.2 billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.**
- **Provides after-school care for 500,000 children per year by expanding the 21st Century Community Learning Center program by \$800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.**
- **Improves child care safety and quality and enhances early childhood development by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.**

Automated Records Management System
Hex-Dump Conversion

Child Care Block Grant Increase	\$7.5 billion over five years
Child and Dependent Tax Credit Reform	\$5.2 billion over five years
Tax Credit for Businesses	\$500 million over five years
After-School Program	\$1 billion over five years
Early Learning Fund	\$3 billion over five years
Head Start Increase	\$3.8 billion over five years
Standards Enforcement Fund	\$500 million over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
TOTAL:	\$21.7 billion over five years

2. The President has been in office for five years. Why is he proposing a child care initiative now? Is this a new problem?

The child care initiative underscores President Clinton's commitment to strengthening America's families. **As the President has said, child care is** "the next great frontier if we're going to make sure all Americans can succeed at home and at work." (7/28/97) The initiative that the President announced today builds on the Earned Income Tax Credit, the Family Medical Leave Act, the Child Tax Credit, the new children's health insurance program, and a host of other legislation the President has fought for to help American families.

The initiative also builds on President Clinton's continuing efforts to improve and increase funding for child care. Under President Clinton, federal funding for child care has increased by 70%, helping parents pay for the care of about one million children. The 1996 welfare reform law increased child care funding by \$4 billion over six years to provide child care assistance to low-income working families moving from welfare to work.

3. How are you going to pay for this big package?

The President's budget carefully pays for each and every element of his child care initiative. The package is funded in a variety of ways -- some on the mandatory and others on the discretionary side of the budget. The offsets for the mandatory items include -- but are not limited to -- expected revenues from a national tobacco settlement, which the President hopes and believes Congress will pass this year.

4. Since much of the funding of this proposal is based on the tobacco settlement, aren't you counting your chickens before they've hatched? What will you do if the tobacco settlement does not go through?

First, the initiative is paid for in a number of ways -- only one part comes from tobacco revenues. Second, and more important, we believe that a national tobacco settlement will pass. The President strongly supports legislation consistent with his principles, and many Republicans and Democrats alike are working vigorously to craft comprehensive legislation. Of course, no offset proposed in a budget is guaranteed; the Congress can reject any proposed way of financing a program. If Congress does not pass comprehensive tobacco legislation, we will work with Congress to find other offsets. This is a high Administration priority, and we will find an effective funding mechanism.

5. Aren't you just creating a new federal bureaucracy?

The President's child care initiative creates no new federal bureaucracy. Rather, it relies on states and communities to decide for themselves how best to address the child care challenges they face. Indeed, the funds for each major initiative flow either to states or communities, or in the case of tax credits, to individuals themselves.

6. The White House Conference on Early Learning and Development highlighted the crucial development that takes place in the first years of a child's life. Given that the best caregiver is a parent, what are you doing to help parents stay at home with their children during this important time?

The program announced today is primarily oriented toward families where both caregivers go to work, usually for reasons of financial necessity. It is designed to ensure that children in these families receive quality care even though their parents are in the workforce.

The President believes strongly, however, that we should support parents who can and choose to stay home. Today's announcement also includes two proposals that will help these parents stay at home. First, the Administration will support demonstration projects in states and communities to test policies to help new parents who choose to stay home to care for their newborns or newly adopted children. Second, the President's Early Learning Fund supports parents who stay at home by supporting home visits and parent education.

These initiatives build on President Clinton's record of providing real choices and opportunities for parents. He has fought for: a \$500 per child tax credit for families with children; the Earned Income Tax Credit that gives 15 million working families tax relief; health insurance for children; increases in the minimum wage; and the Family and Medical Leave Act. President Clinton is committed to helping parents make the choices that are right for their families, whether that means working or staying home to care for their children.

7. What role did the First Lady have in developing this initiative?

The First Lady has been a strong voice for children and families for over twenty-five years and continues to work on these issues. Mrs. Clinton played an important role in developing the White House Conference on Early Learning and Development and the White House Conference on Child Care. During the policy development process for the child care initiative, the President looked to the First Lady for her advice and expertise on the problems with the child care system and on possible solutions.

8. How do you expect to get Republican support for this initiative?

Child care traditionally has been a bipartisan issue. In fact, two of the central elements of the President's child care initiative were strongly supported by previous Republican Presidents and Members of Congress. Both Presidents Reagan and Bush supported the expansion of the Child and Dependent Care Tax Credit, and President Bush supported the creation of the Child Care and Development Block Grant.

Many Members of the House and Senate from both sides of the aisle have shown a commitment to taking action by introducing legislation that would improve the quality of child care, make it more affordable, and promote early learning. We look forward to

working with them to pass significant child care legislation this year.

TAX CREDITS

9. Today, the Child and Dependent Care Tax Credit (CDCTC) favors middle-income taxpayers and offers less relief to lower-income taxpayers. Wouldn't it be more fair to make the CDCTC refundable?

The President's proposed expansion of the CDCTC would wipe out tax liability for most families with incomes under 200% of poverty (e.g., \$35,000 for a family of four) who have the maximum allowable child care expenses. In addition, the President's proposal significantly expands the Child Care and Development Block Grant, which is an effective mechanism to help low-income working families with child care costs. The two proposals together offer significant relief to both low- and middle-income parents.

10. Wouldn't eliminating the marriage penalty help millions of working families with children? Why aren't you supporting eliminating the penalty as part of your child care initiative?

The Administration believes that proposals currently on the table to eliminate the marriage penalty are prohibitively expensive in the context of a balanced budget. The President chose instead to provide targeted tax cuts to assist American families struggling to meet child care costs. These tax cuts will help more than three million families to pay for high-quality child care.

Helping working families, especially those with children, has been the centerpiece of the President's agenda on tax cuts. In 1993, the President expanded the Earned Income Tax Credit to give the average recipient with two children more than \$1,000 in tax relief. In 1997, the President signed into law a \$500 per child tax credit that will help 27 million families meet the costs of raising their children. In addition, his \$1,500 HOPE Scholarship Tax Credit and Lifelong Learning Tuition Tax Credit will help nearly 13 million students meet the costs of college and higher education. The President will continue to focus tax and overall economic policy on helping working families.

11. Won't the employer credit for child care expenses that the President is proposing create a windfall for companies already operating child care centers or otherwise subsidizing employee child care?

Very few for-profit employers are currently making child care services available to their employees. The credit will provide a real incentive to employers to create new employee child care programs. Also, for those employers who already have a child care program, the credit will help support expansion of services.

SUBSIDIES

12. Why are you expanding the Child Care and Development Block Grant (CCDBG) when states aren't using all of their child care subsidy money now?

In fact, we are very encouraged by state reports which show they have obligated over 99% of the child care fund available under the new welfare law for FY 1997. This demonstrates the tremendous need states have for child care, and President Clinton has continued to urge states to invest their dollars into helping these working families. But let's be clear—this current initiative is not aimed at mothers on welfare. It's aimed at working parents who desperately need this assistance. For example, working families with annual incomes under \$14,400 that pay for care for children under five spend 25% of their income on child care -- and even then it's difficult finding accessible, quality care.

13. According to some news stories, states have big surpluses which they could spend on child care. Rep. Clay Shaw recently issued a report saying that states have significant and growing surplus federal welfare dollars. The report also said that given the surpluses and the increase in child care funding under the new welfare law, there isn't a need now for more child care money. Why are you proposing to add to CCDBG?

The Administration is very pleased that a strong economy and state welfare reform efforts have helped families move from welfare to work. But let's be clear—this initiative is not aimed at mothers on welfare. It's aimed at working parents. For example, working families with annual incomes under \$14,400 that pay for care for children under five spend 25% of their income on child care. Currently, we're serving only a small percentage of eligible children from working families: there are approximately 10 million children who are eligible for federal child care assistance, but we are able to serve only over a million of these children.

For America's working families to succeed in the workplace, they need quality choices in affordable and accessible child care. The President's initiative, with its combination of increased subsidies for low-income families and tax credits for moderate- and middle-income families, will provide working parents the opportunity to remain self-sufficient and succeed both at home and at work.

14. When the President signed the welfare bill, he claimed that the big increase in CCDBG would make welfare reform work. Now that he is proposing adding to it, is he admitting that his previous child care efforts were not sufficient?

No. The President fought to spend \$4 billion more on child care in welfare reform legislation to help mothers on welfare go to work, and he continues to believe that child care is a critical component of welfare reform. However, low-income parents who have never been on welfare are also struggling to afford child care, and *all* working families want their

children to be in safe, healthy settings where they can learn and grow. These initiatives address the concerns and needs of *all* working families in this country. In particular, expansion of the block grant will enable many states to provide subsidies for the first time to the non-welfare working poor.

15. In order to keep up with the additional need for child care under welfare reform, aren't states creating new slots at the expense of quality? What protection do you have against states just increasing slots without regard to quality if you simply increase the block grant?

The President believes that we must make child care more affordable as well as improve quality because he believes that both are important. That is why his child care initiative includes investments in both, and that is why the President fought hard during the welfare debate to preserve 4% of funding through the child care block grant for state investments in quality.

QUALITY

16. What does the Early Learning Fund actually do? How will you measure results?

Recent scientific research has demonstrated that experiences during the earliest years of life -- before children reach school age -- are critical to their cognitive, emotional, and physical development. Nurturing and stimulating children in the first years of life help their brains develop and prepare them for the challenges of school and later life. We also know that too much child care for infants and toddlers is inadequate: one respected study found that 13% of regulated and 50% of unregulated family child care providers offer care that is inadequate for children ages zero to three. President Clinton's proposed Early Learning Fund is designed to improve early learning and development for our youngest children; to ensure health and safety in child care; and to support parents as they raise their children.

The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North Carolina's children enter school healthy and ready to succeed.

Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support.

17. How is the Early Learning Fund different from Early Head Start?

Early Head Start is a relatively small program that reaches only certain poor families. The new initiative will promote early learning and provide parent support and education to parents at a wider range of income levels. The Early Learning Fund also differs from Head Start and Early Head Start because it targets support to communities that have developed innovative approaches to foster early learning and meet the child care needs of families.

18. Wasn't the President already committed to serving one million children by 2002? What's new in this Head Start initiative?

The President's child care initiative proposes an additional \$1 billion targeted to Early Head Start to double the number of infants and toddlers served, in addition to his commitment to reauthorize all of Head Start to reach one million children by 2002. The total cost is \$3.8 billion.

19. Much of the research the White House has highlighted tells us what we need to do to ensure healthy child development. Given that these practices are the same everywhere, why have you not proposed national standards?

We do know what works. As we learned at the White House Conference on Child Care, safe facilities, ongoing guidance from health professionals, and child care providers who are well trained and adequately compensated result in quality care. However, we also learned at the conference that many states have good quality standards, but do not have the resources to fund enforcement of those standards. The President's Standards Enforcement Fund **will help states improve licensing, enforce standards, and increase unannounced inspections of child care settings**. In addition, particularly when it comes to the youngest children, different states face different challenges in their child care systems. That is why the President's Early Learning Fund gives states a menu of allowable activities to promote early learning and development so that states can concentrate on those areas where they are falling behind. In this way, the quality of care will improve across the country.

20. At the White House Conference on Child Care, you championed the National Crime Prevention and Privacy Compact. What happened to the Compact?

The National Crime Prevention and Privacy Compact has been transmitted to Congress. The Compact is an important part of the President's child care initiative, and the President will push for its passage when Congress returns.

21. Won't the scholarship fund raise the wages of child care workers, and in turn, increase the cost of child care and make it unaffordable for many families?

This proposal is modeled after North Carolina's T.E.A.C.H. program; North Carolina has not seen higher costs since it put T.E.A.C.H. in place. Because child care workers are likely to stay in their jobs longer if they are trained and better compensated, any additional costs of increased wages will be offset to some extent by savings associated with reduced staff turnover.

22. If you are proposing a huge increase in federal research of child care issues, shouldn't you wait to make policy based on what you learn from the research?

While there is much we don't know about our child care system, we do know enough to act. Child care is a pressing problem in America: 45% percent of all children under the age of one are in child care on a regular basis; much of this is inadequate; and families with annual incomes under \$14,400 that pay for care for children under five spend about 25% of their income on child care. We cannot afford to wait to improve the quality of care these children receive.

AFTER- SCHOOL PROGRAMS

23. Your after-school proposal requires programs to be run in the schools. What do you do for those children in communities where the school will not or cannot provide an after-school program?

While a major purpose of the 21st Century Learning Centers Program is to make use of underutilized school facilities, the program includes a set aside to fund programs run by community groups. In addition, the President's FY 1999 budget includes \$95 million for after school and other prevention programs administered by the Department of Justice. Innovative programs that are run by community groups in museums, recreation centers or other places outside schools may receive funding from this after-school initiative.

GENERAL

24. Much attention has been given to the au pair system since nineteen year old Louise Woodward was tried for killing a baby in her care. What are you doing to reform the au pair system?

The U.S. Information Agency (the agency that runs the au pair program) announced in September updated regulations on the screening and placement of au pairs. Under the new regulations: au pairs who care for children under two years old must have 200 or more documented hours of infant-care experience; au pair training will include 24 hours of child-development instruction; au pairs will be limited to working 10 hours a day and 45 hours a week; their pay will be increased from \$115 to \$139 a week; and the screening and selection process will be improved.

25. What are the child care options for parents who work at the White House?

Employees of the Executive Office of the President (EOP) can enroll their children in the nearby U.S. Kids Child Development Center, a center accredited by the independent National Association for the Education of Young Children. Additionally, White House parents may enroll their children in any of the 27 other Federal child care centers in the greater Washington, D.C. area.

26. What is the child care system for federal employees?

There are more than 230 child care centers for civilian government employees in federal buildings in as many as 36 states, including 108 centers overseen by the General Services Administration (GSA). Seventy-three percent of GSA sponsored centers are accredited by the independent National Association for Education of Young Children, and GSA is working to reach 100 accreditation within two years. Striving to meet the needs of parent workers, 89 of GSA centers have infant care, 74 have drop-in/emergency care, and 42 provide summer programs for school-aged children. In addition, more than 80 of centers are open 11 or more hours per day. Notably, nearly 70% of the child care center directors have ten or more years of experience in early childhood education.

27. Apparently many low-income federal employees cannot afford the federal child care system. What are you doing to help them?

The federal government, like the private sector, still faces challenges in providing affordable care to lower paid employees. GSA has studied this problem intensively this year and has released a report to Congress outlining a plan to increase revenues and enrollment, reduce operating costs, and expand the availability of tuition assistance for parents who can't afford to pay full fees.

28. You have touted the military's child care system as a model for the nation. Isn't it good because they spend so much?

While the military does invest significant resources into their child care system, they also set and enforce high quality standards (including through unannounced inspections), support family day care networks, offer a strong resource and referral system, and provide a wide variety of care options, all of which increase quality without large investments.

The Department of Defense's Child Care System serves over 200,000 children daily (age zero to 12), making it the largest employer-sponsored child care program in the nation. Through this system, the military offers full-day, part-day, and hourly child care, part-day preschools, before- and after-school programs for school age children, and extended hour care. Because of the Department of Defense's commitment to excellence in child care, since 1992, the number of military child care facilities that are accredited by the independent National Association for the Education of Young Children has risen from 55 to 353. Currently, over 75% of military child care programs are accredited, as compared to only 7% of other child care facilities nationwide.

29. Washington D.C.'s child care system is in crisis. What are you doing to improve the child care system in this city?

Administration officials, concerned over the state of child care in the District, have met with D.C. officials on several occasions to discuss ways to improve the quality of care the children who live in the District receive. A working group including major stakeholders -- the Department of Health and Human Services, the Office of Management and Budget, the office

of the Mayor, the D.C. Council, the Control Board, and other city agencies have forged a partnership to improve the quality of child care services in the District. The District's Department of Consumer and Regulatory Affairs has issued a draft Strategic Plan to improve child care quality.

In addition, the President will include D.C. as one of three to five pilot cities involved in an interagency effort to eliminate duplication and better coordinate federal funding streams for after-school programs.

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PRESIDENT CLINTON ANNOUNCES CHILD CARE INITIATIVE

January 7, 1998

President Clinton today announced an historic initiative to improve child care for America's working families. The President's FY 1999 budget will include approximately \$20 billion over five years for child care, the largest single investment in child care in the nation's history. President Clinton's initiative responds to the struggles our nation's working parents face in finding child care that they can afford, trust, and rely on. The President's proposal will help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

- Doubles the number of children receiving child care subsidies to more than two million by the year 2003 by increasing funding for the Child Care and Development Block Grant by \$7.5 billion over 5 years.
- Increases tax credits for three million working families to help them pay for child care by investing \$5.2 billion over 5 years in the Child and Dependent Tax Credit. The President's proposal also provides a new tax credit for businesses that offer child care services for their employees.
- Provides after-school care for up to half a million children per year by expanding the 21st Century Community Learning Center program by \$800 million over 5 years to provide funds to school-community partnerships to establish or expand programs for school-age children.
- Improves child care safety and quality and enhances early childhood development by establishing a new Early Learning Fund as well as supporting enforcement of state child care health and safety standards, providing scholarships to up to 50,000 child care providers per year, and investing in research and consumer education.

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Child Care Block Grant Increase	\$7.5 billion over five years
Child and Dependent Tax Credit Reform	\$5.2 billion over five years
Tax Credit for Businesses	\$500 million over five years
After-School Program	\$800 million over five years
Early Learning Fund	\$3 billion over five years
Head Start Increase	\$3.8 billion over five years
Standards Enforcement Fund	\$500 million over five years
Child Care Provider Scholarship Fund	\$250 million over five years
Research and Evaluation Fund	\$150 million over five years
TOTAL:	\$21.7 billion over five years

MAKES CHILD CARE MORE AFFORDABLE FOR WORKING FAMILIES

Doubles the Number of Children Receiving Child Care Subsidies to More than Two Million. The President proposes to expand the Child Care and Development Block Grant to help working families struggling to meet the costs of child care. This block grant is the primary federal subsidy program to pay for child care, enabling low-income parents to work. Funds are distributed by formula to the states to operate direct child care subsidy programs, as well as to improve the quality and availability of care. The President's initiative will more than double the number of children served from the one million served in FY 95 (the latest year for which data are available). The President's budget will increase funding for the block grant by \$7.5 billion (with a match) over five years, which will enable states to provide subsidies for more than two million children by 2003.

Increases Tax Credits for Child Care for Three Million Working Families. The Child and Dependent Tax Credit provides tax relief to taxpayers who pay for the care of a child under 13 or a disabled dependent or spouse in order to work. The credit is equal to a percentage of the taxpayer's employment-related expenditures for child or dependent care, with the amount of the credit depending on the taxpayer's income. The President's proposal increases the credit for families earning under \$60,000, providing an additional average tax cut of \$358 for these families and eliminating income tax liability for almost all families with incomes below 200% of poverty (\$35,000 for a family of four) that take the maximum allowable child care expenses under the law. The President's budget will include \$5.2 billion over five years to expand the Child and Dependent Care Tax Credit for three million working families.

Provides New Business Tax Credits. The child care initiative includes a tax credit to businesses that provide child care services for their employees, by building or expanding child care facilities, operating existing facilities, training child care workers, reserving slots for employees at child care facilities, or providing child care resource and referral services to employees. The credit covers 25% of qualified costs, but may not exceed \$150,000 per year. The President's budget will include approximately \$500 million over five years for these tax credits.

PROMOTES EARLY LEARNING AND HEALTHY CHILD DEVELOPMENT

Promotes Early Learning. Research shows that children's experiences in the earliest years are critical to their development and future success. The President's proposed **Early Learning Fund provides challenge grants to communities (distributed by states) to support programs to improve early learning and the quality and safety of child care for children ages zero to five.** Funds may be used for the following activities: providing basic training to child care providers (including first aid and CPR); connecting individual child care providers to centers for education and support; assisting child care providers to meet accreditation and licensing requirements; linking child care providers with health professionals; reducing group sizes and child-to-staff ratios; and providing home visits, parent education, and consumer education about child care. The President's Early Learning Fund builds on state initiatives such as North Carolina's Smart Start, which helps North

Carolina's children enter school healthy and ready to succeed. Smart Start funds a broad variety of local efforts, including improving staff-to-child ratios, health linkages that have raised immunization rates, and parent education and mentoring programs to give new parents support. The President's budget will include \$3 billion over five years for this fund.

Increases Investment in Head Start and Doubles the Number of Children Served by Early Head Start. Head Start provides early, continuous and comprehensive child development and family support services, preparing children for a lifetime of learning and development. **The President is committed to reauthorize Head Start and reach one million children by 2002. The President's budget will invest \$3.8 billion over five years to keep on track his commitment to serving one million children by 2002, and to double the number of infants and toddlers in Early Head Start to 80,000.**

IMPROVES THE QUALITY OF CHILD CARE

Steps Up Enforcement of State Health and Safety Standards. Building on the military's model child care program, this proposed initiative will fund state efforts to improve licensing systems and enforce child care health and safety standards, including by increasing unannounced inspections of child care settings. The President's budget will include \$500 million over five years for this program.

Facilitates Background Checks on Child Care Providers. On the day of the White House Conference on Child Care, the President transmitted to Congress the National Crime Prevention and Privacy Compact, which will facilitate effective background checks on child care providers by eliminating state law barriers to sharing criminal history information for non-criminal purposes. Although the vast majority of child care providers are dedicated to the teaching and nurturing of children, one tragedy in child care is too many. Background checks are an important way to ensure that the people watching our children are fit for this responsibility.

Increases Scholarships and Training for Child Care Providers. At the White House Conference on Child Care, the President proposed establishing a Child Care Provider Scholarship Fund to enable states to provide scholarship funds to students working toward a child care credential. Eligible child care workers must commit to remaining in the field for at least one year for each year of assistance received and will earn increased compensation or bonuses when they complete their course work. The President proposed a federal investment of \$250 million over five years, which will support 50,000 scholarships per year. The President is also proposing to expand the Department of Labor's Child Care Apprenticeship Program to fund the training of child care providers.

Invests in Research. Because too little is known about our child care system, the President's budget will increase support for data, research, and evaluation. This research fund will also support a National Center on Child Care Statistics and a child care hotline that parents can call to get information about how to find child care in their communities and how to identify appropriate, quality care for their children. In addition, the research fund will support demonstration projects to test approaches to help new parents who choose to stay

home to care for their newborns or newly adopted children. The President's budget will include \$150 million over five years for this fund.

EXPANDS AND STREAMLINES AFTER-SCHOOL CARE

An estimated five million school-age children spend time as "latchkey kids" without adult supervision during a typical week. Research indicates that during these unsupervised hours children are more likely to engage in at-risk behavior, such as crime, drugs, and alcohol use. To meet this pressing demand, the President is proposing a dramatic expansion of after-school care.

Provides After-School Care for up to Half a Million Children a Year. The President proposes a dramatic expansion of the 21st Century Community Learning Center Program to provide start-up funds (with a local match) to school-community partnerships to establish or expand before- and after-school programs for school-age children. The program increases the supply of after-school care in a cost-effective manner primarily by funding programs that use public schools and their existing resources, such as computers, gymnasiums, and sports equipment. The program also includes a set aside to fund programs run by community organizations. The President's budget will request \$800 million of entirely new money for this program, for a total of \$1 billion over five years.

Improves Coordination of Federal After-School Initiatives to Help Communities Make Best Use of Existing Resources. The President will put in place a collaborative effort involving numerous federal agencies to eliminate duplication and better coordinate federal funding for after-school programs in three to five pilot cities, including the District of Columbia.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: June Shih (CN=June Shih/OU=WHO/O=EOP [WHO])

CREATION DATE/TIME: 7-JAN-1998 11:27:18.00

SUBJECT: childcare revised. please get back to me asap

TO: Neera Tanden (CN=Neera Tanden/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Ann F. Lewis (CN=Ann F. Lewis/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Nicole R. Rabner (CN=Nicole R. Rabner/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Bruce N. Reed (CN=Bruce N. Reed/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Eleanor S. Parker (CN=Eleanor S. Parker/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Paul E. Begala (CN=Paul E. Begala/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Michelle Crisci (CN=Michelle Crisci/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TO: Elena Kagan (CN=Elena Kagan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Jennifer L. Klein (CN=Jennifer L. Klein/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:

===== ATTACHMENT 1 =====
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**PRESIDENT WILLIAM J. CLINTON
CHILD CARE ANNOUNCEMENT
THE WHITE HOUSE
JANUARY 7, 1998**

Acknowledgments: The First Lady, VP Gore, Mrs. Gore, Sec. Shalala, without her work and commitment, we probably wouldn't be standing here today; Members of Cabinet; Members of Congress.

Throughout our history, our mission as a nation and as a people has been to honor and live by our most cherished values. We have always risen to the challenge of applying those enduring values to changing times, of keeping the American Dream alive for every person willing to work for it. And always, always -- the heart of that dream and the backbone of our society has been the family.

Today, our new economy -- powered by rapidly advancing technologies -- has brought unprecedented prosperity to our country. But the new economy has also imposed new demands on working families. With more families relying on two incomes and working longer hours to make ends meet, millions of children must spend at least part of their day in care away from their parents. Too many parents find themselves walking a precarious tightrope between unstable child care arrangements and the often uncompromising demands of work. For many families, the search for affordable, high-quality child care has become a stubborn obstacle to achieving the American Dream.

No government can raise or love a child. Mothers and fathers do. But government can provide parents the tools they need to meet this most vital responsibility. And government must do what it can to empower Americans to be both good parents and good workers. So today, I am proud to propose the single largest child care investment in the history of our nation. It is a comprehensive and fiscally-responsible plan to make child care more affordable and accessible, to raise the quality and assure the safety of care for millions of American families. This is an issue that touches nearly every family in America, one that should rise above politics and partisan interests. I welcome the bipartisan efforts to improve child care that are already taking place in Congress and thank Senators Dodd, Specter and Hatch for their leadership.

This proposal will be an important part of the balanced budget I send to Congress later this month -- the first balanced budget in 30 years. The budget will build on the achievements of the year just past -- one that was very good to working families. The historic balanced budget agreement provided working families with a \$500 per child tax credit, made college affordable for every American, and expanded health insurance to five million uninsured children. We successfully abandoned the false choices of the past and replaced them with a new economic strategy. We proved that we could indeed balance the budget and invest in our people and the future. And, from the Family and Medical Leave Act to the Earned Income Tax Credit, we showed that it is not only possible, but crucial to the survival of the America Dream that we help

our people meet their responsibilities to their children and fulfill their duties at work. Strengthening and improving child care have always been a part of our strategy. Since I took office, we have helped one million children and their families afford the child care they need.

My new proposal has three fundamental goals. First, we must make child care more affordable and available to all Americans. In my balanced budget, we will double the number of children receiving child care subsidies to more than 2 million with increased block grants to states. This is the best step we can take to support welfare reform and keep working families from getting on welfare in the first place. We will also help three million more working families meet their child care expenses through a new child care tax credit. These tax credits will mean that a couple with two children, an income of \$35,000, and high child care bills will no longer pay a penny in federal income tax. And, I am supporting tax credits to businesses who provide child care for their employees.

Second, we must make sure that every child has a safe and enriching place to go after school. As the Vice-President said, too many children are left to fend for themselves in the hours between two and six o'clock. Too many children are roaming the streets, idling in front of the TV, and getting into trouble. That is why I am proposing the expansion of before- and after-school programs to help some 500,000 children say no to drugs and alcohol and crime and yes to reading, soccer, computers and preparing for the future. The Vice-President has worked very hard on this issue and I thank him for his leadership.

Third, we must improve the safety and quality of child care and make sure that child care only advances our children's development. I am proposing the creation of an Early Learning Fund to help reduce child-to-staff ratios in child care centers, train child care workers, and educate parents. We must also strengthen the enforcement of state codes and licensing requirements, weed out bad providers through tougher criminal background checks, and offer scholarships to talented caregivers.

Let me take a minute to thank our state leaders -- from North Carolina to Washington, Rhode Island to Minnesota, for **improving child care and promoting early learning across America. I know Governor Almond of Rhode Island is here and I thank him for making his state's Child Opportunity Zone program a national model.**

We are living in the most exciting era of human history. But even as time and technology continue to alter the way we live, work and do business, even as they make some jobs easier and render others obsolete, nothing can diminish the rewards and responsibilities of parenthood. No raise or promotion can ever top the joy of hugging a child after work. Nothing is more bittersweet than sending the child you once carried in your arms off to test her own wings in college. And nothing weighs more heavily on a parent's mind than the well-being of a child while he or she is in the care of others.

There is no issue more important to America's families -- or to my own family. Hillary

has made the needs of children her life's work. And I know something about child care first-hand -- as the child of a single mother. When my mother had to go back to school to get the education she needed to support us, she was able to leave me in the care of my grandparents. They loved and nurtured and protected and encouraged me. I was lucky. But we dare not leave the fate of our children to chance. Every child is precious in God's sight, and should be precious in ours as well. Every child should be just as loved, just as nurtured, just as protected, just as encouraged -- regardless of whether that child's parents choose to go to school or go to work or stay at home.

Today, let us pledge ourselves to helping all parents do the best job they can at home and at work. Let us pledge ourselves to providing all children the care, nurturing and education they need to thrive in school and make the most of their potential. And let us all work to build a future where all Americans who work hard and play by the rules can live the American Dream.