

PRESIDENT CLINTON ANNOUNCES CHILD CARE PROVIDER SCHOLARSHIP FUND

October 23, 1997

Today, President Clinton announced a National Child Care Provider Scholarship Fund as well as an outreach plan to let child care providers know that they may be eligible for Pell Grants. Too many child care providers currently do not have the training our children deserve and are not rewarded with higher compensation when they do have training. The measures announced today will help improve the quality of our nation's child care by helping caregivers get training and raise their pay, and thereby supporting efforts to recruit and retain them.

New National Child Care Provider Scholarship Fund: The National Child Care Provider Scholarship Fund will provide more than \$300 million in scholarships over five years to up to 50,000 child care providers annually -- helping the more than half a million children they care for.

Up to a \$1,500 Scholarship and Higher Pay For Continued Service: The Fund will provide scholarships of up to \$1,500 to current and future child care providers who agree to remain in the field for at least one year after receiving assistance. These providers will earn increased compensation or a bonus when they complete their course work, provided by some combination of the Fund and the provider's employer.

Public-Private Partnership: The Fund will receive at least \$250 million in Federal funds over five years, with every four dollars of Federal funds matched with at least a dollar of private, local or State funds. States will have flexibility in designing their programs, and can provide scholarships for students working toward a state or national credential, certificate, or Associate, B.A. or B.S. degree. States cannot use the Fund to substitute for existing efforts. States also cannot provide scholarships to employees or child care providers that are not licensed or registered.

Modeled on Successful Programs: The Fund is modeled on the North Carolina T.E.A.C.H. Early Childhood Project, a bipartisan program that has been shown to work. Participants in T.E.A.C.H. complete an average of 18 credit hours per year and receive an average 10 % increase in their wages. They have less than a 10 % turnover rate, compared to the statewide rate of 42 %. The President's Child Care Provider Scholarship Fund is also modeled on the Defense Department's model of tying pay raises to increased training, which has helped to make the Department of Defense child care system one of the best in the world.

Builds On Pell Grants: While not limited to those eligible for Pell Grants, the scholarships build on Pell Grants for those eligible, by covering any costs not covered by Pell, including tuition and fees, books, supplies, transportation, and child care expenses. For example, a typical caregiver in a child care center earns \$12,000 a year. Attending a community college half time, with total costs of \$3,000, this individual would be eligible for a \$1,350 Pell Grant in 1997-98. The Fund will then provide additional monies. All applicants must first apply for Pell Grants before receiving a Child Care Provider Scholarship.

Actions To Help Child Care Workers Take Advantage of Pell Grants, the New Lifetime Learning Tax Credit and Other Financial Aid: Many child care providers are not aware of other financial aid that is available now. Today, the Secretaries of Education and Health and Human Services jointly sent a letter to child care providers in all 50 states, providing them with information on the aid already available to current and future child care providers, including Pell Grants, the new Lifetime Learning and HOPE Tax Credits, and loans.

Builds on the President's Actions to Make Higher Education Universal and Lifetime Learning the Standard: Today's initiatives build on President Clinton's historic achievements to promote opportunities for lifelong learning, including winning the largest increase in Pell Grants in more than 20 years, creating HOPE and Lifetime Learning Tax Credits, expanding College Work Study, creating the Direct Lending program that lets students repay their loans as a share of their income, and creating AmeriCorps National Service program to enable young people to earn money for college while serving their country.