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STAFF DATA ON
CHILD CARE

COMMITTEE ON FINANCE
UNITED STATES SENATE

RUSSELL B. LONG, *Chairman*



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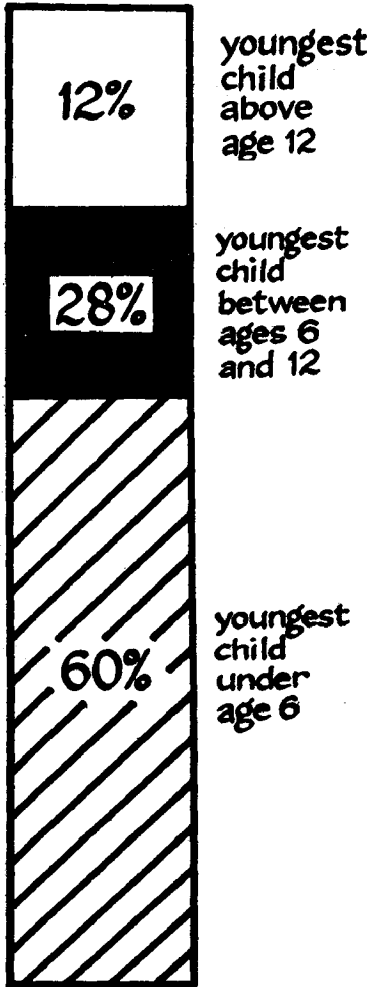
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CHART 1

Lack of Child Care Represents a Major Barrier to Employment of Welfare Mothers

Families receiving AFDC



Children receiving AFDC



CHILD CARE

Most families receiving Aid to Families with Dependent Children today consist of a mother and children, with no father present. Of the more than 2.9 million families receiving AFDC in January 1972, an estimated 1.8 million have a child under age 6. In about 800,000 of the families, the youngest child is between the ages of 6 and 12. In terms of numbers of children, one-third (2.6 million) of the 7.7 million children on the AFDC rolls in January 1972 were under 6 years of age while two-fifths (3.2 million) were between 6 and 12 years old.

In view of the number of children on welfare requiring child care in order for their mothers to work, it is not surprising that a number of studies conducted by and for the Department of Health, Education, and Welfare in recent years have pointed up the major barrier to employment of welfare mothers that lack of child care represents.

Present Law

Under the Aid to Families with Dependent Children program (Title IV, Part A of the Social Security Act), Federal funds are available to pay part of the cost of child care in three ways:

(1) 90 percent Federal matching is available to the States under an earmarked appropriation for child care services to mothers participating in the Work Incentive Program;

(2) 75 percent Federal matching is available to the States for child care services provided employed mothers not participating in the Work Incentive Program. Low-income mothers not on welfare but likely to become dependent may at the State's option also receive federally-matched subsidization of child care costs under this provision; and

(3) Child care costs may be considered a necessary work expense in determining income for welfare purposes, in effect reimbursing a mother through the welfare payment for the cost of child care.

*Child Care Under the AFDC Program (other than WIN child care).—*In fiscal year 1971, an average of 129,000 children of mothers either receiving welfare or likely to become dependent on welfare were provided child care under direct payment by the State welfare agency, with 75 percent Federal matching; the total Federal cost was \$130 million. In fiscal year 1972, it is estimated that this amount will increase to \$263 million, with an average of 273,000 children provided child care services.

States may provide a partial or total subsidy of the child care cost of low-income working mothers whose income is too high to be eligible for welfare assistance; 75 percent Federal matching is available. Most States have chosen not to take advantage of this provision.

Since child care costs may be subtracted from income in determining the amount of welfare a family is entitled to, all States provide partial

subsidization of child care costs to families whose income would make them ineligible for welfare were the child care costs not subtracted. For example, in a State with a needs-standard of \$300 for a family of four, a mother with countable income of \$310 may deduct \$60 in monthly child care expenses and receive a \$50 monthly welfare check—in effect a partial subsidy of the cost of the care.

In fiscal year 1971, an average of 342,000 children had their day care paid for by their mothers with the cost deducted as a work expense; the Federal cost was an estimated \$68 million. This amount is expected to increase in fiscal 1972 to \$80 million with child care provided for an average of 385,000 children.

The cost per year of child care averaged \$1,343 in fiscal year 1971 when paid by the State welfare agency; the amount of child care costs deducted as a work expense averaged \$330. The difference reflects the fact that in many cases only a part of the child care cost is deducted; it probably also indicates that mothers arrange for a less expensive form of child care when they are required to find it and pay for it themselves, with subsequent reimbursement. Though the cost per year of child care paid for the State welfare agencies averaged \$1,343 in fiscal year 1971, the average in the individual States varied widely.

Child Care Under the Work Incentive Program.—The Social Security Act (Section 402(a)(15)) requires that child care services be furnished for any mother referred to and enrolled in the Work Incentive Program. In September 1971, child care services were provided to a total of 136,100 children whose mothers were enrolled in the program.

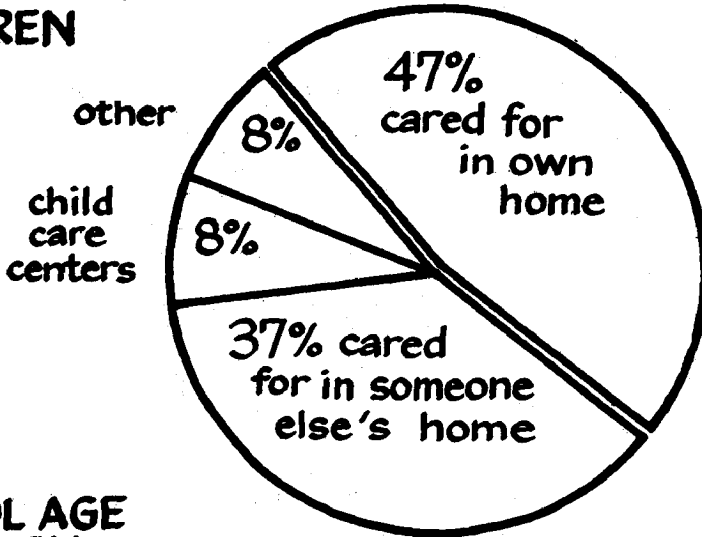
Of this total, 65,500 of the children were under 6 years of age. About 49 percent of these preschool-age children received child care in their own home; 12 percent in relatives' homes; 15 percent in family or group day care homes; and 15 percent in day care centers.

In that same month, child care services were also provided to 70,600 school-age children whose mothers were enrolled in the Work Incentive Program. About 46 percent of these children received care in their own home; 9 percent in relatives' homes; 11 percent in family or group day care homes; 5 percent in day care centers; 6 percent of the children looked after themselves; and for 14 percent of the children, the mothers participated in the program only while the children were in school.

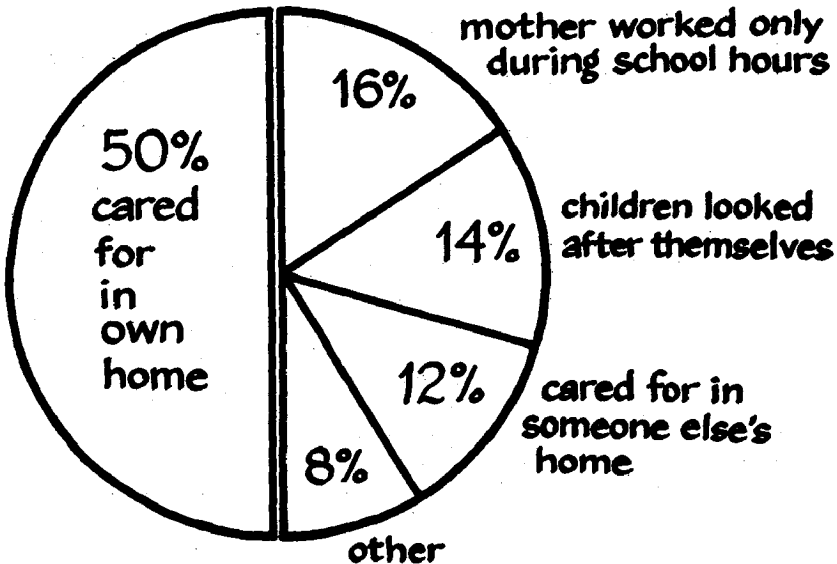
CHART 2

Child Care Arrangements of Working Mothers Today

PRESCHOOL AGE CHILDREN



SCHOOL AGE CHILDREN



The types of child care arrangements made under the WIN program are similar to those made by working mothers generally. This is not surprising, since according to the report of the Auerbach Corporation on the Work Incentive Program, it is the mothers themselves who arrange for the child care:

In the cities selected for the child care studies, slightly over two hundred mothers were interviewed to determine their need for child care, what they were told about child care, and how it was obtained. Our results show that not only did the overwhelming majority (88 percent) arrange their own plans, independent of welfare, but that most (80 percent) were informed by their caseworkers that it was their responsibility to do so. Even more discouraging is the fact that the majority of mothers (83 percent) who were informed about child care by their caseworker were left with the impression that they could make use of any service they wanted; approved services were not required.

The attitude at the local level also seems to have been a factor in the inability of the Department of Health, Education, and Welfare to use funds appropriated for WIN child care. Of \$25 million appropriated for fiscal year 1969, only \$4 million was used; of \$52 million appropriated for fiscal year 1970, only \$18 million was used; of \$38 million appropriated for fiscal year 1971, only \$29 million was used.

The Administration has argued in hearings on the welfare bill that requiring States to pay 25 percent of the cost of child care has been the reason for their inability to use day care appropriations, and that assumption of the total cost by the Federal Government will solve the problem. Recently enacted legislation increased Federal matching for day care under the Work Incentive Program from 75 percent to 90 percent.

While lack of State funds is a contributing factor, other factors acting to prevent the expansion of child care for mothers on welfare are detailed in the Auerbach Report. That report notes that welfare agencies have shown little interest in arranging for child care so that mothers may participate in the Work Incentive Program. The Auerbach Report states that:

Institutionalized child care for WIN participants is rare, and neither the private nor public sector is moving to develop adequate child care facilities. Most mothers in the program have made their own babysitting provisions; these arrangements are fragile, and subject to frequent changes, interruptions, and breakdowns. Many programs are admittedly unable to provide child care, and so must limit participation to those mothers who can make their own arrangements. In addition to lack of funds, restrictive local building codes and fire and welfare ordinances make development of day care centers very difficult.

Income Tax Deduction for Child Care and Other Household Expenses.—Under the recently enacted Revenue Act of 1971 a taxpayer is eligible for a tax deduction for child care and other household services if they are necessary in order for her to work. The deduction is \$400 monthly (\$4,800 annually) for household services and child care in the home; a separate limitation for child care provided outside the home is set at \$200 monthly for one child, \$300 monthly for two children, and \$400 monthly for three children. The total deduction for child care outside the home and household services and

child care in the home may not exceed \$400 monthly. This deduction applies to single taxpayers and families whose total income is \$18,000 or less; if income exceeds \$18,000, the amount of the deduction is reduced \$1 for each \$2 income above \$18,000. The 1973 budget estimates that the revenue loss related to this deduction will exceed \$300 million.

Child Care Legislation Pending in the Committee on Finance

The Committee has pending before it three major legislative proposals designed to increase the availability of child care for welfare mothers and low-income mothers not receiving welfare.

H.R. 1 would provide substantially increased Federal funds for child care for mothers on welfare and would divide responsibility between the Departments of Labor and Health, Education, and Welfare in arranging to make that care available.

The Long bill (S. 2003) would increase Federal matching for child care and would create a new Federal Child Care Corporation whose goal would be a broad expansion of the availability of child care.

Title VI of *Ribicoff Amendment No. 318* to *H.R. 1* would also establish a Federal Child Care Corporation which differs in a number of respects from the one created under *S. 2003*.

Mondale Amendments Nos. 1142 and 1143, Tunney Amendment No. 1144, and Javits Amendment No. 1147 would impose certain requirements on child care provided under *H.R. 1*.

Each of these legislative proposals is discussed in detail below on an issue-by-issue basis.

Child Development Legislation

Under the Economic Opportunity Act grants may be made to local agencies for Head Start programs. Under these programs comprehensive health, nutritional, education, social and other services are provided to preschool age children. Most of the \$332 million spent in fiscal year 1971 paid for part-day and summer Head Start programs, but \$99 million was used for full-day programs for 78,000 children. The 1973 budget estimates that the number of children enrolled in full-day programs will remain at about this level in fiscal years 1972 and 1973. About one-third of the mothers of children in full-day Head Start programs are employed.

Legislation contemplating an expansion of child development services passed the Congress in 1971 but was vetoed by the President. The Senate Labor and Public Welfare Committee has just completed its work on a new child development bill. Based on the experience under the Head Start program, it seems likely that even with the enactment of new legislation, for the foreseeable future comprehensive child development services will be available on a full-day basis only in limited quantity for the children of welfare mothers and low-income working mothers.

Outline of Staff Suggestion

In its work on the welfare portions of the 1970 Social Security Amendments, the Committee recognized that Federal funding alone had failed to result in any significant expansion of child care services as required to permit mothers on welfare to participate in work and training programs. The Committee approved Senator Long's proposal to establish a new Federal Child Care Corporation with the

responsibility for expanding the availability of child care services and with the authority needed to do this.

The Committee's employment plan affecting 40 percent of the family welfare caseload will require a very substantial increase in child care, particularly during the summer, during school vacations, and for the hours before and after school when a mother has left for work or has not yet returned home. In addition, considerable time and attention will be needed to train and supervise mothers in order to utilize them in providing child care.

Under the staff suggestion, a new Federal Child Care Corporation would be created as under the Long bill (S. 2003). The Corporation would arrange for child care for mothers participating in the employment program (as well as for other working mothers) and would give special attention in providing for child care to the preparation and utilization of mothers participating in the employment program.

MAJOR ISSUES

Making Child Care Services Available

H.R. 1, the Long bill (S. 2003), and Ribicoff Amendment No. 318 all contemplate a direct Federal responsibility for making child care available, although H.R. 1 differs from the other two proposals in its method.

H.R. 1.—The Administration's welfare bill anticipates a substantial expansion of child care. It is expected that most child care provided under H.R. 1 would be for mothers in the Opportunities For Families (OFF) Program. The House Report on the bill states (page 166) that "the work requirement and manpower services program will succeed or fail, depending on whether sufficient child care opportunities can be created." H.R. 1 centers the responsibility for providing child care services to mothers in work or training on the Secretary of Labor; the House Report states its intention that whenever possible he would use facilities developed by the Department of Health, Education, and Welfare. However, when such facilities are not available, it would be the responsibility of the Secretary of Labor to secure child care through other sources.

The Secretary of Health, Education, and Welfare would have the primary responsibility for child care planning, technical assistance, facility construction and renovation grants, initial operating grants for child care facilities, setting child care standards (with the concurrence of the Department of Labor) and maintaining quality control, and providing child care to vocational rehabilitation participants.

The Federal government could pay up to 100 percent of child care costs for welfare recipients. \$700 million would be authorized for fiscal year 1973, an amount estimated to provide child care for 875,000 children. In addition, \$50 million would be authorized annually for alteration, remodeling and construction grants to create new child care facilities. With the one-year delay in effective date now requested by the Administration, these amounts would presumably apply to fiscal year 1974 rather than 1973.

Both the Secretary of Health, Education, and Welfare and the Secretary of Labor could charge parents fees, related to family income, to pay for part or all of the cost of care.

As under current law, child care costs could be considered a necessary work expense and thus deducted from income for welfare benefit

purposes, in effect reimbursing a mother through the welfare payment for the cost of child care.

The actual method under which the Departments of Labor and Health, Education, and Welfare would arrange for the provision of child care are not specified in H.R. 1 nor in the Ways and Means report. As of the writing of this pamphlet, the Department of Health, Education, and Welfare has not responded to the staff's request for information on their plans for making child care available under H.R. 1; the entire response of the Labor Department is as follows:

The Department of Labor recognizes the importance of timely and adequate provision of child care services if the Opportunities for Families Program is to enable mothers to work and undertake training. Since H.R. 1 authorizes D/HEW as the lead agency in resource development, and mandates the DOL's use of HEW-developed resources where possible, joint planning and cooperation of the two Departments is essential. An H.R. 1 Interagency Child Care Policy Planning Group has met regularly to jointly develop plans for various features of a child-care system.

An OFP organizational structure and planning system will be designed that is responsive to these child care requirements. The focal point of this structure will be a Federal area manager, who will among other functions and responsibilities determine the most cost-effective use of funds in his area, taking into consideration the job readiness of the OFP clientele, the availability of services—including child care, and the job opportunities available for clients.

To assure professional competency in DOL child care activities, special and discrete staff will be assigned for this purpose at regional, area, and local levels. This staff will advise top management at their levels as to child care policies and practices, coordinate with HEW and its agents on child care matters relating to OFP, and implement the "fail safe" program when necessary.

In each OFP jurisdiction, the Department of Labor will be in close touch—well before as well as after the OFP effective date—with the HEW group responsible for creating and providing day-care services. As far in advance as possible the OFP manager will inform HEW of the anticipated requirements for OFP-related day care, so that HEW has ample opportunity to create or arrange suitable facilities.

DOL's "fail safe" system would be invoked only when HEW developed facilities are not "available" ("available" to be defined jointly by the two Departments). A procedure will be used whereby HEW or its agent will affirm that it is unable to provide the necessary resource at all, or in a timely enough manner to meet DOL employment opportunities. DOL's Federal Area Manager will in those situations make whatever arrangements are necessary—consistent with overall standards agreed to with HEW—to place children of OFP parents in suitable child care settings. Whatever fail safe delivery system is used, data on all care developed by OFP or its contractors will be forwarded to HEW on a regular basis.

DOL's contractor will carry out all National standards and policies concerning delivery of child care. Special emphasis will be

given to maximum parental discretion in selection of child care arrangements. Research indicates that parents who have played a major role in the selection of care arrangements for their children will have more positive feelings toward the child care arrangement and consequently feel more secure in the job or training setting. This will not, however, vitiate the requirement that mothers with school-age children accept child-care arrangements that meet interagency standards and are otherwise suitable.

A variety of care models will be available to the parent selected for work or training. These would include center, family day, and in-home care for the pre-school or school-age child. Public, not-for-profit, and private facilities will be utilized as appears most appropriate in that area.

In the development of after-school care resources, priority will be given to school facilities. Alternative groups working with young people such as settlement houses, YW and YMCA's, the 4-H clubs, Scouting organizations, etc., would be additional after school resources. A day care home system where children would check in with a day care mother before attending an approved activity might also be a viable model.

A central payment system to be used by FAP and OFF to reimburse vendors for services is presently under consideration. Any vendor payment system utilized in DOL fail-safe would be congruent with D/HEW's.

Mondale Amendment No. 1143.—The Mondale Amendment would modify H.R. 1 by deleting any authority for the Secretary of Labor to arrange for child care under the bill; only the Secretary of Health, Education, and Welfare would be given this authority.

Long Bill (S. 2003).—The Long bill would establish a new Federal Child Care Corporation whose basic goal would be to arrange for making child care services available throughout the nation to the extent they are needed. The Corporation would have as its first priority goal providing services to present, past, and potential welfare recipients who need child care in order to undertake or continue employment or training; and arranging for care in facilities providing hours of child care sufficient to meet the child care needs of children whose mothers are employed full time.

To provide the Corporation with initial working capital, the Secretary of the Treasury would be required to lend the Corporation \$500 million as working capital, to be placed in a revolving fund. With these funds the Corporation would begin arranging for day care services. Initially, the Corporation would contract with existing public, non-profit private, or proprietary facilities providing child care services. The Corporation would also provide technical assistance and advice to groups and organizations interested in setting up day care facilities under contractual relationship with the Corporation. S. 2003 would in addition authorize the Corporation to provide child care services directly in its own facilities. It would be expected that services would be provided directly only where public or private agencies, individuals, or organizations are unable to develop adequate child care.

The Corporation would have three sources of funds with which to operate:

1. A \$500 million loan from the Treasury to initiate a revolving fund;

2. Revenue bonds which could be sold to finance construction of facilities; and

3. Fees paid for child care services.

Of the three, fees would represent by far the most important source of funds.

The Corporation would charge fees for all child care services provided or arranged for; these fees would go into the revolving fund to provide capital for further development of child care services. The fees would have to be set at a reasonable level so that parents desiring to purchase child care could afford them; but the fees would have to be high enough to fully cover the Corporation's costs in arranging for the care.

The Federal Child Care Corporation which would be created under S. 2003 would provide a mechanism for expanding the availability of child care services, but it would not itself provide funds for the subsidization of child care provided the children of low income working mothers. These funds would be authorized in the first part of the bill, which would provide 100 percent Federal funding for child care services to welfare recipients if the services were arranged through the Corporation, and which would authorize Federal appropriations to subsidize child care services for low-income working mothers not eligible for welfare.

Under S. 2003, the Corporation's operations and capital expenditures over the long run would be financed entirely by fees paid by and on behalf of persons receiving the services. The Corporation would pay interest on the initial \$500 million loan from the Treasury, interest which each year would match the average interest paid by the Treasury on its borrowings. The Corporation would further be required to amortize the loan over a 50-year period by paying back principal at the rate of \$10 million annually. Finally, the Corporation's capital bonds would be sold directly to the public and would not be guaranteed by the Government but only by the future revenues of the Corporation. Thus, they would not be tax-exempt.

Ribicoff Amendment No. 318.—The Ribicoff amendment would establish a Federal Child Care Corporation generally similar to that under the Long bill. One major difference in terms of making child care available is its provisions mandating substantial community participation in the establishment, operation, and review of child care services. Specifically, local, State, and regional councils would be appointed

“as necessary to insure that child care services are appropriately located, that full utilization is made of existing resources, that cooperation is obtained from education, health, child welfare, social services, and volunteer groups, and that substantial local community participation in the establishment, operation, and review of day care programs is obtained. Where child care services are provided directly by the Corporation, such councils shall administer and operate such programs. Such councils shall include not less than 25 percent of the membership as parents whose children are presently in or have in the preceding five years been enrolled in a day care program.”

The Ribicoff Amendment contemplates substantial Federal appropriations in addition to the funds the Corporation will receive from the Treasury loan and from fees.

Staff Suggestion.—It is recommended that the Committee approve the basic approach of establishing a corporation with the responsibility of arranging for making child care services available.

Persons Eligible for Child Care Services and Kinds of Subsidies

H.R. 1.—H.R. 1 directs the Secretary of Labor to arrange for child care services, to the extent funds are available for persons “who need child care services in order to accept or continue to participate in manpower services, training, or employment, or vocational rehabilitation services.” He may require the parent to pay part or all of the cost of the services in accordance with a fee schedule to be prepared by the Secretary of Health, Education, and Welfare.

As under current law, child care costs could be considered a necessary work expense and thus deducted from income for welfare benefit purposes, in effect reimbursing a mother through the welfare payment for the cost of child care.

The House Report anticipates that the \$700 million authorized for child care costs would be used primarily to pay for child care when the mother is training, while the earnings disregard provision would be used when the mother is working. In other words, once a mother has a job she would be required to pay for her child care out of her earnings, if her earnings are substantial enough, and then get credit for the expenditures by deducting the cost from the earnings which would otherwise be used to reduce welfare benefits.

Long Bill (S. 2003).—The Long bill contemplates a 100 percent Federal subsidy for child care services to mothers receiving welfare. In addition, the bill would authorize appropriations for 100 percent of the cost of subsidizing a portion of the child care costs for children in low income families not receiving welfare where such services are necessary to enable the mother to work. The percentage of costs subsidized in each individual case would depend on the funds appropriated, with the Secretary of Health, Education, and Welfare authorized to set up a schedule of subsidy percentages based on family income and the funds available.

Any mother would be eligible to receive child care through the Child Care Corporation, although first priority would be given to providing services to present, past, and potential welfare recipients, and other mothers working full-time. Mothers in middle income families would be expected to benefit from the recently enacted child care deduction provisions of the Revenue Act of 1971.

Ribicoff Amendment No. 318.—The Ribicoff Amendment specifies that no fees may be charged to participants in the Opportunities For Families program or other manpower training programs during the training period and for one year following commencement of full-time employment. In addition, the amendment specifies that the Corporation’s fee schedule “shall be designed to encourage the utilization of the most comprehensive day care program.”

Elements of Consideration.—It is at least as important to continue to make child care accessible to mothers who have worked their way off welfare, and to other low-income mothers who are not on welfare, as it is to provide child care to mothers on welfare—perhaps more so, since the former have already demonstrated their capacity for economic independence. It would appear that any program should assure access

to child care services for low-income working mothers not on welfare and should provide at least a partial subsidy so that they can afford to continue working.

Staff Suggestion.—It is recommended that any fee schedule established for working mothers incorporate these two elements: (1) the increase in fee related to family income should be reasonably gradual so as not to provide a work disincentive by sharply diminishing the value of each additional dollar earned; and (2) the subsidy should be on a percentage rather than flat dollar basis so that a mother desiring a more educationally oriented form of child care will receive a higher subsidy if she does so. It is also recommended that the subsidy be administered by the Federal Employment Corporation.

Child Care Standards and Cost of Care

The two issues of standards for child care services and the cost of child care are closely linked.

Personnel costs generally represent about 75 percent to 80 percent of the total cost of providing child care. It is for this reason that the major difference in the cost of different child care programs is most likely to be a reflection of the number of children per staff member.

Various projections showing the cost of full-day child care for a pre-school age child exceeding \$2,000 annually have been based on an assumption that there will be no more than five children per staff member; this is the ratio applicable under the Federal standards set (but apparently not enforced) by the Department of Health, Education, and Welfare for three to four year olds. State standards today typically set a maximum of 10 to 15 preschool-age children per staff member.

Very few working mothers actually pay \$2,000 for child care. About three-quarters of the children whose mothers work full time receive free care—usually in their own home by a member of their family or a relative. It appears that well under 10 percent of the children whose mothers work receive child care costing the mother more than \$50 per month. However, the actual cost of providing care might be higher than the amount the mother pays, with a mother receiving some form of subsidy covering the portion of cost of care not borne by her. Subsidized full-day programs emphasizing early childhood education, such as some of the Headstart projects, cost about \$1,600 annually.

Federal Standards.—In its report on child care under the Work Incentive Program, the Department of Health, Education, and Welfare comments that “some agencies believe the Federal Interagency Day Care Standards are unrealistic.” In particular, the Federal standards for day care centers require one adult for every 5 children 3 to 4 years old, and one adult for every 7 children 4 to 6 years old. Since staffing costs represent 75 to 80 percent of child care center costs, and since more staff is required under the Federal standards than under the licensing requirements of almost all States, federally shared child care costs may be expected to become rather higher than present costs in the States. The Auerbach report on child care under the Work Incentive Program noted that “it has been estimated that to comply with the Federal Interagency Day Care Standards . . . would cost over \$2,000 a year per child. This is more than can be paid by local agencies.”

State Licensing Requirements: Health and Safety.—The Department of Health, Education, and Welfare comments in its report on WIN child care that “local building codes and fire and welfare ordinances often make development of day care centers difficult, especially in inner city areas where many AFDC mothers live.” The Auerbach report similarly states that “the greatest stated problem [concerning physical facilities] is in meeting the various local ordinances which, according to some staffs, are prohibitive. Some examples are: windows no more than “x” feet from the floor, sanitation facilities for children, appropriately scaled, sprinkler systems, fireproof construction, etc.”

Other State Licensing Requirements.—Other State licensing requirements relate to staff and facilities of child care centers; States vary widely in their requirements.

In most States, it is the welfare agency that has responsibility for licensing of child care centers. Generally, any center providing care to at least four preschool-age children must be licensed; in a number of States, infants under 2 or 3 years old may not receive care in a group care center.

State requirements on child care center staffing generally depend on the age of the children. For children age 3 or 4 years, States typically require one adult for every 10 children; for children age 4 to 6 years, one adult for every 10 to 15 children; and for children of school age, one adult for every 15 to 25 children.

States usually explicitly or implicitly require child care center directors to be at least 21 years of age, with either experience in child care or educational preparation at the college level in child development or early childhood education. Lesser qualifications are required of other staff of the child care center. Both initial and annual physical examinations are required of center personnel in most States.

In addition to State and local fire, health, zoning, safety, and sanitation requirements, most States require child care centers to provide at least 35 square feet of indoor space per child and 75 feet of outdoor play space; an isolation room or area must be available for children who become ill; and special provision must be made for the children’s naps.

Child Care Standards Under H.R. 1.—In testimony before the Committee, Secretary Richardson indicated that the Administration plans to subject all child care furnished under H.R. 1 to the Federal Inter-agency Day Care Requirements. It should be noted that these requirements incorporate by reference all State and local licensing requirements. In June 1971, draft-revised Federal day care requirements were prepared by the Department of Health, Education, and Welfare and distributed for comment. To date, however, no further action has been taken and the requirements stand as originally published.

For a preschool-age child, the Department estimates a cost of \$1,600 a year for care in a child care center, \$894 a year for in-home care, and \$866 for family day care. For school-age children, care in a center is estimated at \$732, in-home care \$716, and family day care \$542; these figures include full-time day care during the summer and vacations.

S. 2003.—The Long bill specifies minimum standards in the statute requiring child care facilities to have adequate space, adequate staffing and adequate health and safety requirements. It attempts to avoid overly rigid requirements in order to allow the Federal Child Care

Corporation the maximum amount of discretion in evaluating the suitability of an individual facility in the context of its location, the type of care provided, and the age group served by it. Unlike the Federal Interagency Day Care Requirements, S. 2003 does not require that child care be primarily oriented toward early childhood education; there are no requirements in the bill on the content and nature of the child care program. The bill specifically provides for the monitoring of child care facilities at least annually, to insure that they meet the minimal Federal standards.

The cost of child care under S. 2003 is not specified, since it would depend on the type of care provided. Since the Federal Child Care Corporation would not subsidize child care but only arrange for its provision, the type of care provided would depend on the Corporation's customers. Although the Corporation would arrange for some of the more expensive, educationally oriented child care for some children where the care is subsidized, the bulk of the free or subsidized care would probably be inexpensive family child care provided by another mother in the neighborhood.

Mondale Amendment No. 1142.—This amendment requires that Federal day care standards established by the Secretary for child care under H.R. 1 “shall be consistent with the Federal interagency day care requirements as promulgated on September 23, 1968.”

Javits Amendment No. 1147.—The Javits Amendment requires that all child care services provided under H.R. 1 “shall be designed to meet the educational, health, nutritional, and other needs of the children served in order that each such child shall have a full opportunity to attain his or her full potential.”

Ribicoff Amendment No. 318.—The Ribicoff amendment incorporates the current Federal Interagency Day Care Requirements as well as the standards under S. 2003.

A comparison of the provisions of these legislative proposals relating to child care standards is shown in table 1; specific issues involving standards are discussed below.

TABLE 1.—PROVISIONS RELAT

Current Federal Regulations ¹	
1. State and local licensing	All facilities must be licensed under applicable State and local licensing laws; Federal regulations are in addition to State and local requirements
2. Staffing requirements:	
a. Child care center	Not more than 5 children age 3 to 4 per adult; not more than 7 children age 4 to 6 per adult; not more than 10 children age 6 through 14 per adult
b. Home child care	Generally, not more than 6 children per adult
3. Staff qualifications	Must meet State requirements; all staff must receive continuous in-service training in child development; nonprofessional staff must be given career progression opportunities
4. Safety	Meets State and local requirements
5. Health	General requirements of sanitation and public health measures
6. Education	Educational opportunities must be provided every child under the supervision and direction of a staff member trained or experienced in child growth and development
7. Social services	Provision must be made for social services under the supervision of a staff member trained or experienced in the field
8. Parent involvement	Parents must be provided opportunities to work with the child care program and to observe their children in the facility; whenever an agency provides child care for 40 or more children, there must be a policy advisory committee (with at least 50 percent parents or parent representatives selected by the par-

¹ Mondale amendment No. 1142 incorporates these regulations.

ING TO CHILD CARE STANDARDS

Long Bill (S. 2003)

Ribicoff Amendment No. 318

Federal standards are in lieu of State and local requirements

All facilities must be licensed under applicable State and local licensing laws; Federal regulations are in addition to State and local requirements.

Not more than 10 children per adult

Not more than 5 children age 3 to 4 per adult; not more than 7 children age 4 to 6 per adult; not more than 10 children age 6 through 14 per adult

Not more than 8 children per adult

Generally not more than 6 children per adult

“Qualified staff member” means an individual who has received training in or demonstrated ability in the care of children

Must meet State requirements; all staff must receive continuous in-service training in child development; nonprofessional staff must be given career progression opportunities

Meets Life Safety Code of the National Fire Protection Association

Meets both the Life Safety Code and State and local requirements

General requirements of sanitation and public health measures

General requirements of sanitation and public health measures

Not specified; educational services may be provided but are not required

Educational opportunities must be provided every child under the supervision and direction of a staff member trained or experienced in child growth and development

No requirement

Provision must be made for social services under the supervision of a staff member trained or experienced in the field

Parents must be afforded an opportunity of meeting and consulting with staff concerning their children and observing their children while receiving care

Parents must be provided opportunities to work with the child care program and to observe their children in the facility; whenever an agency provides child care for 40 or more children, there must be a policy advisory committee (with at least 50 percent

TABLE 1.—PROVISIONS RELATING TO

Current Federal Regulations¹

8. Parent involvement— Continued	ents in a democratic fashion) which assist in the development of child care programs, participate in the selection of program directors and staff, and are otherwise involved in the administration of child care programs
9. Enforcement of standards	No provision
10. Penalty for false statement or misrepresentation	No provision
11. Modification of standards	(Regulations may be modified at any time)

¹ Mondale amendment No. 1142 incorporates these regulations.

CHILD CARE STANDARDS—Continued

Long Bill (S. 2003)

Ribicoff Amendment No. 318

<p>Requires establishment within the Corporation of an Office of Program Evaluation and Auditing with function of monitoring at least once annually the standards in the bill</p>	<p>parents or parent representatives selected by the parents in a democratic fashion) which assist in the development of child care programs, participate in the selection of program directors and staff, and are otherwise involved in the administration of child care programs; at least 2 of the 5 members of the Board of Directors of the Corporation must be representatives of nonprofit local community participation interests; where child care services are provided directly by the Corporation, local councils (at least 25 percent of whose membership consists of parents) must administer and operate the child care programs</p>
<p>False statement or misrepresentation in order to qualify as a child care facility punishable by fine of up to \$2,000 or imprisonment up to 6 months</p>	<p>Requires establishment within the Corporation of an Office of Program Evaluation and Auditing with function of monitoring at least once annually the standards in the bill</p> <p>False statement or misrepresentation in order to qualify as a child care facility punishable by fine of up to \$2,000 or imprisonment up to 6 months; in addition, facilities involved shall be ineligible to participate in any federally funded or assisted day care program for 2 years following conviction</p>
<p>Corporation directed to study standards and report to Congress by January 1976 with recommendations (if any) for changes.</p>	<p>Corporation directed to review standards at least once a year "and make amendments as needed to assure the highest possible standards for day care."</p>

Issues Related to Child Care Standards

1. Staffing Requirements

H.R. 1.—The Federal Interagency Day Care Requirements, which would be applicable under H.R. 1, set the following limits on the number of children per staff member:

1. The family day care homes, (a) if the children receiving care are from infancy through six years, not more than two children under 2 and not more than 5 children in total, including the family day care mother's own children under 14 years old; (b) if the children are age 3 through 14, not more than 6 children including the family day care mother's children.

2. In a group day care home, (a) no children under age 3; (b) not more than 5 children per adult if the children are below age 6; and (c) not more than 6 children per adult otherwise.

3. In a day care center, (a) if children are 3 to 4 years old, not more than five children per adult; (b) if children are 4 to 6 years old, not more than 7 children per adult; and (c) if children are 6 through 14 years old, not more than 10 children per adult.

S. 2003.—Under the Long bill, the Federal Child Care Corporation may not require more adults than are needed to achieve a ratio of:

1. Eight children per adult, if child care is furnished in a *home*;

2. Ten children per adult if care is furnished in a *child care center*; and

3. 25 to 1 for *recreational programs*.

Although the corporation may not require a lower number of children per adult, it may arrange for care in facilities with less children per adult.

Ribicoff Amendment No. 318 and Mondale Amendment No. 1142.—These amendments, like H.R. 1, adopt the Federal Interagency Day Care Requirements.

Current State Requirements.—State requirements on child care center staffing generally depend on the age of the children. For children age 3 or 4 years, States typically require one adult for every ten children; for children age 4 to 6 years, one adult for every 10 to 15 children; and for children of school age, one adult for every 15 to 25 children.

Elements of Consideration.—In discussions of child care services, the maximum number of children per adult is usually cited as the most critical factor affecting the quality of the child care services provided. At the same time, personnel costs represent the single most expensive item in child care costs. It would appear reasonable to set any Federal standards at a minimally acceptable level that can actually be achieved, given funding limitations and the limited number of persons trained to work in child care. The standards in S. 2003 are at such a level; at the same time, the bill does not preclude child care services with lower numbers of children per staff member.

Staff Suggestion.—It is recommended that the Committee approve the staffing standards in S. 2003.

2. Requiring That All Child Care Be Early Childhood Education

Another controversial and emotional issue revolves around the position taken by a number of witnesses that all child care should provide an early childhood education experience. Without being too specific about the nature of this experience, early childhood education

advocates frequently characterize the programs as "comprehensive child development programs"—in contrast with "mere custodial care," that is, care like that provided by mothers in their own home to their own children. Head Start programs are usually cited as examples of comprehensive child development programs.

H.R. 1.—The Federal Interagency Day Care Requirements, applicable under H.R. 1, require that educational opportunities be provided every child regardless of the type of facility in which child care is provided, and that the educational activities must be under the supervision and direction of a staff member trained or experienced in child growth and development. Without supplying any more detail on what constitutes an educational program, the Federal requirements state that "the daily activities for each child in the facility must be designed to influence a positive concept of self and motivation, and to enhance his social, cognitive, and communication skills."

S. 2003.—The Long bill proposal avoids *requiring* that all child care arranged for by the Federal Child Care Corporation be educational in nature, nor does it require a formal educational component. However, educationally oriented child care may be arranged for by the Corporation if fees are available to pay for this kind of care.

Ribicoff Amendment No. 318.—The Ribicoff amendment incorporates the requirements of present Federal regulations, and, in addition, requires that the Corporation's fee schedule "shall be designed to encourage the utilization of the most comprehensive day care program."

Mondale Amendment No. 1142.—The Mondale amendment incorporates the provisions of the Federal Interagency Day Care Requirements.

Javits Amendment No. 1147.—This amendment requires that all child care furnished under H.R. 1 "meet the educational, health, nutritional, and other needs" of children so that each child shall "have a full opportunity to attain his or her full potential."

Effectiveness of Early Childhood Educational Programs.—Though advocates of early childhood education programs cite the immediate intellectual gains children realize as a result of their participation, evaluations of the programs have been virtually unanimous in agreeing that the gains are short-lived. For example, in a summary of recent research on early childhood development issued by the National Institute of Mental Health in 1970, the authors noted the "consistent findings of a dropoff of the gains achieved in the short-term programs when these programs are terminated. . . . Almost all the studies in the literature show a decline in performance after the short-term programs are ended for the children. . . . The evidence is fairly clear that the gains of programs that are of a short term are gains that fail to last. . . . There is no evidence. . . . that pre-school instruction has lasting effects upon mental growth and development."

In an article entitled "The Environmental Mystique" that appeared in the magazine *Childhood Education* in 1970, Dr. Edward Zigler, Director of the Office of Child Development in the Department of Health, Education, and Welfare, stated:

Learning is an inherent feature of being a human being. The only meaningful question, therefore, is not "Why do children learn?" but, "Why is it that some children do not learn?" Approached in this way, the problem is not one of getting intelli-

gence into nonlearners but rather of determining the conditions and attitudes that interfere with the natural process of learning. We are all aware that children learned before cognitive theorists told us how and before the invention of talking typewriters. Indeed, children learned before schools of any sort existed. How could this learning have been possible without the formal programming of experiences which we have come to associate with the formal educational process? The answer, I think, is that in his natural state the child is a much more autonomous learner than adherents of the pressure-cooker approach would believe. I am convinced the child does most of his learning on his own and often the way to maximize it is simply to let him alone. He accomplishes some of the most significant learning in his everyday interaction with his environment. Learning for the child is, thus, a continuous process and not one limited to the formal instruction and whizbang remedial efforts that have recently captured our attention. . . . Whatever the nature of cognitive development might be, such development has been overemphasized in our current society.

Thus it has been repeatedly found that by the third or fourth grade there is no difference between children who have had preschool educational experience and those who have not. The following conclusion was drawn from this by Professor Carl Bereiter, who has devoted his career to the education of young children, [in a paper presented at Johns Hopkins last year:

It appears that the main thing wrong with day care is that there is not enough of it and the main reason there is not enough of it is that it costs too much. At the same time, those who are professionally dedicated to advancing day care seem to be pressing continually to make it more costly by setting certification requirements for day care workers and by insisting that day care should be educational and not just high-quality institutionalized baby-sitting.

. . . Producing a measurable educational effect in young children is far from easy; . . . it requires as serious a commitment to curriculum and teaching as does education in older children. I cannot imagine day care centers on a mass basis carrying out educational programs of the kind needed to produce measurable effect. If they cannot do so, then it will prove in the long run a tactical blunder to keep insisting that day care must be educational. Sooner or later those who pay for it will begin demanding to see evidence that educational benefits are being produced, and the evidence will not come forth.

It would seem to me much wiser to seek no more from day care than the sort of high quality custodial care that a child would receive in a well-run home, and to seek ways to achieve this level of care at a cost that would make it reasonable to provide it to all those who need it. One should not have to justify day care on grounds that it will make children do better in school any more than one should have to justify a hot lunch program that way.

Educational Services for School-Age Children.—It is anticipated that most of the children receiving child care under any employment program approved by the Committee will be children who are in school most of the hours of the day nine months of the year, and who

will require supervision only during the hours they are not in school and during vacation periods. There appears to be no reason to require that educational services be provided to a child who already spends six hours a day in school.

In testimony before the Finance Committee, Dr. Zigler stated that for \$80 a year per child an enrichment program could be provided for children receiving child care in family day care homes. Another approach suggested would have children receiving care in family child care homes go to a child care center several times during the week for a more educationally oriented experience at a much lower cost than if they spent full time in the day care center. Thus it should be possible with some imagination to enrich the experience of children who receive care in a home setting while at the same time not adding prohibitively to the cost of child care.

Staff suggestion.—It is recommended that any Federal standards applicable to child care for mothers participating in an employment program not limit the care the children can receive to early childhood education. At the same time there is no reason why care cannot be provided in Head Start or other educationally orientated programs to the extent that these programs can accommodate children for whom the Corporation is arranging child care.

In addition, it could be required that educationally oriented child development services that are provided meet any applicable State or local educational standards. This would be in keeping with the general philosophy of State and local control of education.

3. *Providing Health Services*

It has been suggested by several witnesses that health care services should be provided as part of the child care program for all children receiving care with direct or indirect Federal support.

H.R. 1.—The Federal Interagency Day Care requirements, applicable under H.R. 1, require that the health of each child be evaluated when the child first receives child care and subsequently at appropriate intervals. Arrangements must be made for medical and dental care and other health-related treatment for each child, using existing community resources; in the absence of other financial resources, the child care program must pay for treatment with its own funds.

S. 2003.—The Long bill sets certain health requirements as part of its standards (relating to sanitation, arrangements for children who become ill, and other public health measures) but does not require the child care facility to be responsible for the health treatment of the children; this responsibility is left to the parents.

Ribicoff Amendment No. 318 and Mondale Amendment No. 1142.—Like H.R. 1, these amendments incorporate the Federal Interagency Day Care Requirements.

Javits Amendment No. 1147.—This amendment would require that each child receiving child care under H.R. 1 be given such health care as is needed in order to “have a full opportunity to attain his or her full potential.”

Staff Suggestion.—The provision of medical treatment for children is an issue in its own right, involving the Medicaid, maternal and child health, crippled children's services, and private health insurance programs as well as programs of State and local health agencies. The child care center can serve as a convenient place for screening children

who need medical treatment. It does not seem appropriate, however, to make the child care center rather than the parent responsible for seeing that the child receives treatment once the need for treatment has been identified.

4. Social Services

Federal Interagency Day Care Requirements (applicable under H.R. 1, Ribicoff Amendment No. 318, and Mondale Amendment No. 1142).—Federal regulations require that social services be provided to the family's children in day care under the supervision of a staff member trained or experienced in the field. The regulations require that the counseling and guidance be available to the family "to help it determine the appropriateness of day care" and that a continuing assessment be made "of the child's adjustment in the day care program and of the family situation."

S. 2003.—The Long bill contains no provision requiring social services for parents.

Staff Suggestion.—The attitude incorporated in the Federal Interagency Day Care Requirements appears to assume that any family desiring day care services has problems and is in need of social services to solve them. It is recommended that no Federal requirements for such social services be incorporated in child care legislation; these services can be provided through the welfare programs.

5. Parent Involvement and Community Control

A number of persons have urged that any child care for which Federal funds are made available should be controlled by community organizations with the parents making up the majority of the community group deciding what type of child care will be developed, who will receive the care, who will be hired, what kind of program will be offered and other key policy decisions relating to child care. To persons holding this view, community organization is a goal as important or perhaps even more important than the actual provision of child care.

Federal Interagency Day Care requirements (applicable under H.R. 1 and Mondale Amendment No. 1142).—Federal regulations mandate that parents be provided opportunities to work with the child care program and to observe their children in the day care facility. Whenever an agency provides day care for 40 or more children, there must be a policy advisory committee at the level where decisions are made on the kinds of programs to be operated, the hiring of staff, the budgeting of funds, and the submission of applications to funding agencies. At least 50 percent of the policy advisory committee's membership must consist of parents or parent representatives selected by the parents in a democratic fashion. The policy advisory committee must assist in the development of the child care program, approve applications for funding, participate in the nomination and selection of the child care program director, advise on the recruitment and selection of the staff and volunteers, and serve various other functions relating to parent participation.

S. 2003.—The Long bill requires that a parent be given an opportunity to meet with and consult the staff of a child care facility concerning the development of his or her child and of observing the child in the facility. Furthermore, in determining how funds will be used to provide for child care in a community, the Corporation must

take into account any comprehensive planning for child care that has been done in the community. The bill does not mandate parent control over hiring, content of programs, etc.; however, any parent community group wishing to establish a child care facility could receive both technical assistance and initial funding from the Corporation, making it possible for groups interested in promoting parent involvement to establish child care facilities through the Corporation where they might have considerable difficulty doing so today.

Ribicoff Amendment No. 318.—The Ribicoff amendment requires that two of the five members of the Board heading the Federal Child Care Corporation be representatives of nonprofit, local community participation interests. In addition, the Corporation's National Advisory Council would be authorized to "appoint local, State, and regional councils as necessary to insure that child care services are appropriately located, that full utilization is made of existing resources, that cooperation is obtained from education, health, child welfare, social services, and volunteer groups, and that substantial local community participation in the establishment, operation, and review of day care programs is obtained. Where child care services are provided directly by the Corporation, such councils shall administer and operate such programs. Such councils shall include not less than 25 percent of the membership as parents whose children are presently in or have in the preceding five years been enrolled in a day care program."

Elements of Consideration.—Persons who favor establishing child care programs only through community organizations typically see little or no role for commercial child care facilities whether furnished in a child care center or in a home. In view of the need for expanding the availability of child care, it would seem inappropriate to exclude any group of providers that can meet the Federal standards for providing care. It has not been demonstrated that parent controlled child care is either less expensive or more efficient than commercially provided child care.

If no child care could be provided except through community organizations, it is likely that there would be many places in which no child care was provided for some time until the internal politics of the community was sufficiently settled to permit agreement on the kinds of child care programs to be established.

The definition of what constitutes a "community", for purposes of determining whether or not there is community control is itself a very controversial question. One particular neighborhood or ethnic group in a community may feel that it constitutes a community in itself, and that it should not be grouped together with the rest of the political subdivision in which it finds itself.

Staff Suggestion.—It is recommended that the general approach of S. 2003 be followed, under which the Federal Government deals with various groups and facilities that are able to provide child care services meeting the Federal standards.

6. Fire Safety

Federal Interagency Day Care Requirements (applicable under H.R. 1, Ribicoff Amendment No. 318, and Mondale Amendment No. 1142).—Federal regulations incorporate State and local fire and safety requirements.

S. 2003.—The Long bill requires that child care facilities meet the requirements of the Life Safety Code of the National Fire Protection Association.

It has been suggested that the language of S. 2003 might be interpreted as requiring an ordinary home to meet the more stringent standards of the Life Safety Code for a facility with a "second use" while it is really nothing more than a family sharing its home with a child or children.

Staff Suggestion.—It is recommended that the Life Safety Code not be made applicable to homes in which family day care is provided but instead that these homes be certified as meeting requirements adopted by the local area (or a comparable area, if none have been adopted) for application to general residential occupancy.

7. Enforcement of Federal Standards

Federal Interagency Day Care Requirements.—Though the Federal regulations on child care are supposed to apply to all child care for which Federal funds pay at least part of the cost, there is no provision for enforcing the standards. Dr. Edward Zigler, Director of the Office of Child Development, has conceded in hearings that the standards are not enforced.

H.R. 1.—The House bill makes no specific provision for the enforcement of Federal child care standards.

S. 2003.—The Long bill would require the Federal Child Care Corporation to establish an Office of Program Evaluation and Auditing to ensure that child care facilities contracting with the Corporation meet the Federal standards in the bill. Another provision of the bill sets a penalty of imprisonment for up to six months or a fine of up to \$2,000, or both, for fraud or misrepresentation concerning the conditions and operation of a child care facility in order to contract with the Corporation. This provision is modeled on a similar provision concerning health care facilities under Medicare and Medicaid approved by the Committee in 1970.

Ribicoff Amendment No. 318.—The Ribicoff amendment includes the provision of S. 2003, and, in addition, makes the facility involved ineligible to participate in any federally funded or assisted child care program for two years following conviction.

Staff Suggestion.—It is recommended that the provisions of both the Long bill and the Ribicoff amendment be adopted.

Construction of Child Care Centers

H.R. 1.—Under H.R. 1, \$50 million is authorized annually for the construction of child care facilities. There is no formula in the bill setting forth the way these funds would be distributed among the States, and the Department of Health, Education, and Welfare has stated that they have not yet determined how they would allocate the funds.

S. 2003.—The Long bill assumes that child care services can be greatly expanded through the utilization of existing facilities not now used during the week without requiring additional construction of facilities. Accordingly, the bill does not provide for construction during the first two years of the Corporation's existence. Following this initial period, the Corporation would have authority to issue revenue bonds for capital construction costs, but construction would be resorted to only when child care services might not otherwise be provided. Since

these bonds would have to be repaid with interest from the Corporation's revenues from fees, it is anticipated that construction of new facilities would not often be undertaken by the Corporation. S. 2003 permits the Corporation to issue up to \$50 million in revenue bonds annually, but the total amount of bonds outstanding at any one time cannot exceed \$250 million.

Ribicoff Amendment No. 318.—The Ribicoff amendment is similar to S. 2003 in its construction provisions.

Staff Suggestion.—It is recommended that the Committee adopt the approach of S. 2003. If the Committee wishes instead to approve a construction grant program, it is recommended that a formula for distribution of funds among the States, based on child population in the States, be incorporated in the statute.

Training of Child Care Personnel

H.R. 1.—The House bill contains no explicit provision for the training of child care personnel, nor is this mentioned in the Committee report on the bill.

S. 2003.—The Long bill contains three provisions relating to training:

1. It directs that section 426 of the Social Security Act, relating to the training of child welfare personnel, be sufficiently funded to greatly expand the training of child care personnel;
2. It directs the Secretary of Labor to use the Work Incentive Program to the maximum possible extent in providing training for welfare recipients to become proficient in child care; and
3. It authorizes the Federal Child Care Corporation to arrange for in-service training programs to prepare individuals in the child care field; the cost of this training would be borne by fees paid for child care services.

Ribicoff Amendment No. 318.—The provisions of the Ribicoff amendment are identical with the provisions of S. 2003.

Tunney Amendment No. 1144.—This amendment requires that at least 5 percent of the amounts appropriated for child care under H.R. 1 be earmarked for training child care personnel.

Use of Welfare Mothers in the Provision of Child Care.—Any program designed to make employable large numbers of mothers currently receiving welfare will require a great expansion of the availability of child care. At the same time, employment opportunities will need to be expanded greatly.

Staff Suggestion.—It is recommended that any approach to child care adopted by the Committee incorporate a statutory requirement that priority be given to the training and preparation of mothers participating in the employment program, mothers on welfare and other low-income mothers in the provision of child care services. In order to accomplish this, it is recommended that the Federal Child Care Corporation be authorized to make agreements with the agency that will be administering the employment program for employable family heads. Under such an agreement, the Corporation would be reimbursed for the cost of training participants in child care, and would agree to the maximum possible extent to train persons participating in the employment program for jobs in the provision of child care.

Federal Funding of Child Care

H.R. 1.—The House bill authorizes \$700 million in fiscal year 1973 for child care associated with the Opportunities For Families program and the Family Assistance Plan; this amount is estimated to be sufficient to provide child care for 875,000 children. There is no limit on appropriations in subsequent fiscal years, and the Department of Health, Education, and Welfare has not projected what the fiscal requirements will be in those years. The Federal Government would pay 100 percent of the cost of the child care (except to the extent that parent fees pay a part of the cost).

S. 2003.—The Long bill provides for an initial \$500 million loan to the Federal Child Care Corporation as initial working capital for the Corporation to begin arranging to make child care available. In addition, the bill provides for 100 percent Federal matching for child care provided to mothers on welfare by the Corporation, and authorizes appropriations to subsidize a part of the cost of child care for low-income working mothers not on welfare.

Ribicoff Amendment No. 318.—The Ribicoff amendment contemplates substantial general fund appropriations to supplement parent fees in paying for the cost of operations of the Federal Child Care Corporation.

Elements of Consideration.—The use of appropriations for training and enforcement of Federal standards has been discussed above. If the Federal Government is to establish a new Federal employment program for families headed by an employable adult, it would appear appropriate for the child care provided to be 100 percent federally funded (except to the extent that parent fees pay a part of the cost). One of the great advantages of the Child Care Corporation mechanism is that the Corporation would receive its funding virtually entirely from fees for child care services, and would therefore have a very strong incentive to concentrate all its attention on providing the services which will generate the fees it needs to survive.

Staff Suggestion.—It is recommended that the Federal Government pay 100 percent of the cost of child care arranged by the Corporation for the children of mothers on welfare or in the employment program, with a Federal subsidy of child care for low-income working mothers, administered by the Federal Employment Corporation.

Other Issues

1. Relationship With the Department of Health, Education, and Welfare

S. 2003.—The Federal Child Care Corporation established under S. 2003 would be an independent agency. However, it would have a National Advisory Council on Child Care, including in its membership the Secretary of Health, Education, and Welfare, the Secretary of Labor, and the Secretary of Housing and Urban Development. The role of the Council under S. 2003 is one of providing advice and recommendations for the consideration of the Board of the Federal Child Care Corporation.

Ribicoff Amendment No. 318.—The Ribicoff amendment envisages a much more central role for the Council. Under this amendment, the Council would appoint the local, State and regional councils which would administer and operate any child care programs in which child care services are provided directly by the Corporation.

Elements of Consideration.—The Office of Child Development in the Department of Health, Education, and Welfare, which has the standard setting responsibility in the Department and which administers the Head Start program, is committed to developmental day care (that is, the Head Start type of educationally oriented day care).

It should be noted that the Department's record in expanding the availability of child care has been a poor one. The Department has never yet been able to utilize fully the amounts appropriated by the Congress for child care under the Work Incentive Program, and they have conceded that the Federal day care standards they have promulgated have been a major barrier to the expansion of federally supported child care. At the same time, these regulations reflect a bias against mothers of young children working in their assumption that a mother whose child is in a day care center has problems.

Staff Suggestion.—It is recommended that the role of the Office of Child Development be limited to an advisory one, as in S. 2003.

2. Before- and After-School Care of School-Age Children

The House report on H.R. 1 in discussing making child care available says that "where appropriate, consideration should be given to the use of local school systems through arrangements with local educational agencies."

Staff Suggestion.—It is recommended that there be written into the law an emphasis of utilizing schools for providing before- and after-school care to school-age children where this care is not provided in day care homes. Utilization of these facilities which already exist will be far more efficient than attempting to arrange for other facilities.

Amendments to H.R. 1 Not Discussed Above Relating to Child Care

AMENDMENT NO. 412 (METCALF)

Utilizing the Elderly in Child Care.—Provides for utilization of services of elderly individuals in operation of child care facilities.

TABLE A.—CHILD CARE FUNDED UNDER PART A OF TITLE IV OF THE SOCIAL SECURITY ACT, FISCAL YEARS 1970 THROUGH 1973

Program	Child care/years	Yearly cost per child/year		State	Total cost (thousands)	Federal share (thousands)
		Total	Federal			
Fiscal year 1970 (total)	\$443,472	\$475	\$324	\$151	\$211,084	\$144,013
Work incentive program	57,500	428	321	107	24,591	18,443
AFDC social services	83,327	1,094	820	274	91,160	68,370
AFDC income disregard	302,645	315	189	126	95,333	57,200
Fiscal year 1971 (total)	568,587	570	397	173	324,290	226,293
Work incentive program	98,000	394	296	98	38,652	28,989
AFDC social services	128,670	1,343	1,007	336	172,805	129,604
AFDC income disregard	341,917	330	198	132	112,833	67,700
Fiscal year 1972 (total)	803,894	696	492	204	559,912	399,894
Work incentive program	146,000	520	390	130	76,000	57,000
AFDC social services	272,543	1,285	964	321	350,309	262,732
AFDC income disregard	385,351	347	208	139	133,603	80,162
Fiscal year 1973 (total)	884,780	771	555	216	682,165	493,100
Work incentive program	170,000	666	500	166	109,708	85,000
AFDC social services	322,482	1,336	1,002	334	430,837	323,128
AFDC income disregard	392,298	361	216	145	141,620	84,972

Figures shown for AFDC social services relate to children of AFDC mothers with training and employment outside of the Work Incentive Program whose care was financed through social services funds under part A of title IV of the Social Security Act. Figures shown for the AFDC income disregard relate to children of employed AFDC mothers whose care is financed in part by disregard of earned income for child care costs. This in effect raises the amount of the

Source: Department of Health, Education, and Welfare.

welfare payment the mother would be eligible for and Federal sharing would be reflected in the cash assistance funds rather than social services funds. Some duplication in child care years exists between AFDC social services and AFDC income disregard due to some women receiving child care supplementation from both sources. We do not know to what extent this happens but the estimate on unit costs eliminates any duplication.