THE CHILD CARE EXPANSION ACT

Mr. ROBERTS. Mr. President, I rise today to inform my colleagues of legislation that I introduced on April 10 called the Child Care Expansion Act.

This legislation—the first legislation I have had the privilege of introducing in this body—does address one of the greatest challenges that faces families today, and that is finding dependable and affordable child care.

The demand for quality child care is rising. We have changes in family structure, more working mothers, and significant changes in social policy, which all have helped—all have helped—drive this increase. In fact, only 2 years ago 60 percent of children under the age of 5 were cared for by someone other than a parent while their mother or father was working.

We have had numerous studies that indicate the availability of child care has failed to keep up with this demand. Three out of four parents responding to a national poll indicate that there is an insufficient supply of child care, Mr. President, especially for infants.

Child care keeps America working.

In 1994, three out of five women with children under the age of 6 were in the work force. A lack of dependable child care causes these workers to lose time and to be less productive. Child care benefits provided by employers help to recruit and retain quality employees. It pays off with lower costs in regard to the businesses that have a good child-care program. And child-care providers are also small business owners who contribute to the economy while keeping our children safe.

Child care provides access to high-quality learning environments for children in their critical learning years.

Just last week—I think it was last Wednesday—in the Wall Street Journal there was an article entitled ''Good, Early Care Has a Huge Impact on Kids, Studies Say.'' And that article pointed out the monumental importance of quality child care in the first 3 years of the infant's life. And according to the National Institute of Child Health and Human Development, a study cited in the article, high-quality child care provided by nurturing, stimulating care givers improves the cognitive learning and language skills. These are skills a child depends on for the rest of his or her life.

So child care is central to the implementation of successful welfare reform.

I might add, that the concept of this child-care bill, as far as I was concerned, became very evident as we went through welfare reform legislation in the past session of the Congress when I had the privilege of being the chairman of the House Agriculture Committee and we were approaching food stamp reform.

It became obvious to me, if we were going to provide self-reliance, independence, and the tools with which about 2,000 people in Kansas needed to get off the welfare rolls and become self-reliant—these people had been on welfare for over 5 years—they did two things, job training, that is obvious, and the second thing was child care.

Stringent new work requirements will move more welfare parents into the work force and create an even greater demand for quality child care. I think this legislation simply addresses these issues through a responsible four-pronged approach. There are no new entitlements, no new mandates on businesses. This legislation fills a pressing need without creating more bureaucracy or more government.

Mr. President, I ask unanimous consent that the text of S. 548 be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Child Care Expansion Act''.

TITLE I—GENERAL EXPANSION OF ACTIVITIES

SEC. 101. SMALL BUSINESS CHILD CARE GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services (hereafter referred to in this section as the ''Secretary'') shall establish a program to award grants to States to assist States in providing funds to encourage the establishment and operation of employer operated child care programs.

(b) APPLICATION.—To be eligible to receive a grant under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including an assurance that the State will provide the funds required under subsection (e).

(c) AMOUNT OF GRANT.—The Secretary shall determine the amount of a grant to a State under this section based on the population of the State as compared to the population of all States.

(d) USE OF FUNDS.—

(1) IN GENERAL.—A State shall use amounts provided under a grant awarded under this section to provide assistance to small businesses located in the State to enable such small businesses to establish and operate child care programs. Such assistance may include—

(A) technical assistance in the establishment of a child care program;

(B) assistance for the start-up costs related to a child care programs;

(C) assistance for the training of child care providers;

(D) scholarships for low-income wage earners;

(E) the provision of services to care for sick children or to provide care to school aged children;

(F) the entering into of contracts with local resource and referral or local health departments;

(G) assistance for any other activity determined appropriate by the State; or

(H) care for children with disabilities.

(2) APPLICATION.—To be eligible to receive assistance from a State under this section, a small business shall prepare and submit to the State an application at such time, in such manner, and containing such information as the State may require.

(3) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under this section, a State shall give priority to applicants that desire to form consortium to provide child care in geographic areas within the State where such care is not generally available or accessible.

(B) CONSORTIUM.—For purposes of subparagraph (A), a consortium shall be made up of 2 or more entities which may include businesses, nonprofit agencies or organizations, local governments, or other appropriate entities.

(4) LIMITATION.—With respect to grant funds received under this section, a State may not provide in excess of $50,000 in assistance from such funds to any single applicant. A State may not provide assistance under a grant to more than 10 entities.

(e) MATCHING REQUIREMENT.—To be eligible to receive a grant under this section a State shall provide assurances to the Secretary that, with respect to the costs to be incurred by an entity receiving assistance in carrying out activities under this section, such entity will make available (directly or through donations from public or private entities) non-Federal contributions to such costs in an amount equal to—

(1) for the first fiscal year in which the entity receives such assistance, not less than 25 percent of such costs ($1 for each $3 of assistance provided to the entity under the grant);

(2) for the second fiscal year in which an entity receives such assistance, not less than 33⅓ percent of such costs ($1 for each $2 of assistance provided to the entity under the grant); and

(3) for the third fiscal year in which an entity receives such assistance, not less than 50 percent of such costs ($1 for each $1 of assistance provided to the entity under the grant).

(f) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this section a child care provider shall comply with all applicable State and local licensing and regulatory requirements and all applicable health and safety standards in effect in the State.

(g) ADMINISTRATION.—

(1) STATE RESPONSIBILITY.—A State shall have responsibility for administering the grant awarded under this section and for monitoring entities that receive assistance under such grant.

(2) AUDITS.—A State shall require that each entity receiving assistance under a grant awarded under this section conduct of an annual audit with respect to the activities of the entity. Such audits shall be submitted to the State.

(3) MISUSE OF FUNDS.—

(A) REPAYMENT.—If the State determines, through an audit or otherwise, that an entity receiving assistance under a grant awarded under this section has misused such assistance, the State shall notify the Secretary of such misuses. The Secretary, upon such a notification, may seek from such an entity the repayment of an amount equal to the amount of any misused assistance plus interest.

(B) APPEALS PROCESS.—The Secretary shall by regulation provide for an appeals process with respect to repayments under this paragraph.

(h) REPORTING REQUIREMENT.—

(1) STUDY.—Not later than 2 years after the date on which the Secretary first provides grants under this section, the Secretary shall conduct a study to determine—

(A) the capacity of entities to meet the child care needs of communities within a State;

(B) the kinds of partnerships that are being formed with respect to child care at the local level; and

(C) who is using the programs funded under this section and the income levels of such individuals.

(2) REPORT.—Not later than 28 months after the date of enactment of this Act, the Secretary shall prepare and submit to the appropriate committees of Congress, a report concerning the effectiveness of the grant programs under this section.

(i) DEFINITION.—As used in this section, the term ''small business'' means an employer who employed an average of at least 2 but not more than 50 employees on business days during the preceding calendar year.

(j) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $25,000,000 for each of the fiscal years 1998 through 2000.

(k) TERMINATION OF PROGRAM.—The program established under subsection (a) shall terminate on September 30, 2001.

SEC. 102. PROJECTS FOR CHILD CARE BY OLDER INDIVIDUALS.

(a) COMMUNITY SERVICE EMPLOYMENT PROGRAM.—Section 502 of the Older Americans Act of 1965 (42 U.S.C. 3056) is amended by adding at the end the following:

''(f) In carrying out this title, the Secretary, and any entity entering into an agreement under this title, shall take necessary steps, including the development of special projects, where appropriate, to encourage the fullest participation of eligible individuals (including eligible individuals described in subsection (e), as appropriate), in projects to provide child care under this title. Such child care projects shall, to the extent practicable, be carried out in communities with child care shortages, as determined by the appropriate State agency designated under section 658D(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b(a)).''.

(b) DOMESTIC VOLUNTEER SERVICE ACT.—Title IV of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5043 et seq.) is amended by adding at the end the following:

''SEC. 427. PARTICIPATION IN PROJECT TO PROVIDE CHILD CARE.

''(a) IN GENERAL.—In carrying out this Act, the Director, and any recipient of a grant or contract under this Act, shall take necessary steps, including the development of special projects, where appropriate, to encourage the fullest participation of individuals 55 and older, in projects to provide child care under this Act. Such child care projects shall, to the extent practicable, be carried out in communities with child care shortages, as determined by the appropriate State agency designated under section 658D(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b(a)).

''(b) FUNDING OF PROJECTS.—The Director may, using amounts available for experimental projects under section 502(e), provide for the development of special projects under subsection (a).''.

TITLE II—TAX INCENTIVES FOR DEPENDENT CARE

SEC. 201. EXPANSION OF CHILD AND DEPENDENT CARE CREDIT.

(a) INCREASE IN CREDIT PERCENTAGE FOR LOW AND MIDDLE INCOME WORKERS.—Section 21(a)(2) of the Internal Revenue Code of 1986 (relating to credit for expenses for household and dependent care services necessary for gainful employment) is amended to read as follows:

''(2) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (1), the term 'applicable percentage' means 30 percent reduced (but not below 20 percent) by 1 percentage point for each $2,000 (or fraction thereof) by which the taxpayer's adjusted gross income exceeds $20,000.''

(b) INCREASE IN MAXIMUM AMOUNT CREDITABLE.—Section 21(c) of the Internal Revenue Code of 1986 (relating to dollar limit on amount creditable) is amended—

(1) by striking ''$2,400'' in paragraph (1) and inserting ''$3,600'', and

(2) by striking ''$4,800'' in paragraph (2) and inserting ''$5,400''.

(c) PHASE-OUT OF CREDIT FOR HIGHER INCOME TAXPAYERS.—

(1) IN GENERAL.—Section 21(c) of the Internal Revenue Code of 1986 (relating to dollar limit on amount creditable) is amended by adding at the end the following new paragraph:

''(2) PHASEOUT OF CREDIT.—

''(A) IN GENERAL.—The amount of the credit allowed under subsection (a) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

''(B) AMOUNT OF REDUCTION.—The amount determined under this paragraph equals the amount which bears the same ratio to the credit (determined without regard to this subsection) as—

''(i) the excess of—

''(I) the taxpayer's adjusted gross income for such taxable year, over

''(II) the threshold amount, bears to

''(ii) $10,000.

Any amount determined under this subparagraph which is not a multiple of $10 shall be rounded to the next lowest $10.

''(C) THRESHOLD AMOUNT.—For purposes of this paragraph, the term 'threshold amount' means—

''(i) $90,000 in the case of a joint return,

''(ii) $65,000 in the case of an individual who is not married, and

''(iii) $45,000 in the case of a married individual filing a separate return.

For purposes of this subparagraph, marital status shall be determined under section 7703.

''(D) ADJUSTED GROSS INCOME.—For purposes of this paragraph, adjusted gross income of any taxpayer shall be increased by any amount excluded from gross income under section 911, 931, or 933.''

(2) CONFORMING AMENDMENTS.—Section 21(c) of such Code is amended—

(A) by striking ''(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—The'' and inserting:

''(c) LIMITATIONS.—

''(1) DOLLAR LIMIT.—The'',

(B) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and

(C) by striking ''paragraph (1) or (2)'' in the last sentence and inserting ''subparagraph (A) or (B)''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1997.

SEC. 202. EXPANSION OF HOME OFFICE DEDUCTION TO INCLUDE USE OF OFFICE FOR DEPENDENT CARE.

(a) IN GENERAL.—Section 280A(c)(1) of the Internal Revenue Code of 1986 (relating to certain business use) is amended by adding at the end the following: ''A portion of a dwelling unit and the exclusive use of such portion otherwise described in this paragraph shall not fail to be so described if such portion is also used by the taxpayer during such exclusive use to care for a dependent of the taxpayer.''.

(b) EFFECTIVE DATE.—The amendment made by this section applies to taxable years beginning after December 31, 1997.

Mr. ROBERTS. Mr. President, first, the Child Care Expansion Act includes funding for a short-term, flexible grant program to encourage small businesses to work together to provide day care services for employees. This program is a demonstration project that will sunset at the end of 3 years. In the meantime, small businesses will be eligible for grants up to $50,000 for startup costs, training, scholarships or other related activities. Businesses will be required to match Federal funds to encourage self-sustaining facilities well into the future.

The idea behind this 3-year grant is for the small communities and small businesses in that community to get together to provide the child care facility. The $50,000 grant over 3 years will provide startup money for our smaller communities, for the major businesses in that community to come together and provide a facility that otherwise would not be achieved.

Second, this legislation includes an expansion of the child and dependent care tax credit, targeting the credit to working parents who need it the most, not only the people who are trying to be self-reliant in regard to welfare reform but the low- and middle-income family. It will increase from $720 for one child, up to $1,080, and from the current $1,140 for two or more children to $1,620 for families with more than one dependent. In addition, the credit is phased out for higher income wage earners, which means that the deficit exposure or the expenditure side is very, very limited.

This legislation also addresses the needs of parents who choose to work from the home. In this case, the Internal Revenue Service rules are expanded to allow taxpayers who need to use the family room or some other room for home-based business while caring for dependents. The current IRS rules are much too strict and simply do not make sense for people who want to work at home but have to take care of the youngsters as well.

Finally, this legislation encourages our Nation's most experienced care givers, our older Americans, who are already participating in federally supported work programs, to provide child care services in communities where it is feasible to do so. Obviously, there is a bonding that goes on, Mr. President, in regard to grandkids and also grandparents. This bill certainly encourages that bonding.

This legislation includes no new entitlements or mandates on the business community. It fills a pressing need without creating more bureaucracy or Government. Child care is an issue that impacts each and every one of us. While parents continue to struggle to meet the constant demand of work and family, it seems to me we must continue to do our part to expand the child care options and protect our Nation's most valuable resource—our children. I urge my colleagues to join me in support of America's kids and cosponsor the Child Care Expansion Act.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Ms. MIKULSKI. Mr. President, I ask unanimous consent I be permitted to speak for such time as is necessary for the nomination of Alexis Herman.

The PRESIDING OFFICER. Is this part of the hour that is under the Democrat leader's control?

Ms. MIKULSKI. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALEXIS HERMAN TO BE SECRETARY OF LABOR

Ms. MIKULSKI. Mr. President, once again I am deeply disturbed that Alexis Herman's confirmation to be Secretary of Labor has been held up. Miss Herman is being subjected to a level of scrutiny that is not deserving of her nor this institution. Miss Herman is being held hostage for political reasons.

What is the real reason for the delay? Well, my colleagues on the other side of the aisle say it is because of an Executive order that would encourage Federal agencies to consider the use of something called ''project labor agreements'' on any construction contract sent out for bid. How ironic that it is my colleagues that would hold up the nomination of the next Secretary of Labor because of an Executive order that asks contractors and subcontractors who bid on a Federal project to consider paying union wages, provide union-scale benefits, and use union hiring halls for labor—projects that are financed with taxpayers dollars.

This order does not require the contractor to sign a collective bargaining agreement. It just makes sure that we help our workers maintain a decent wage and living standard. My Republican colleagues would hold up the nomination of the Secretary of Labor, whose responsibility it is to enforce our Nation's labor laws, because we want to ensure that contractors working on Federal projects abide by Federal laws.

I want the nomination of Alexis Herman and the debate about her to focus on her qualifications and her competency to lead the Department of Labor. This should not be a debate on President Clinton's Executive order. I call upon the leadership of the other side of the aisle to let this nomination go forward, let there be debate on the Senate floor about Miss Herman's competency. Is she a coalition builder? Can she provide leadership? And does she provide a framework for the future? That is what the debate should be all about.

My constituents are deeply concerned that Miss Herman, who brings so many credentials and competency, has been waiting month after month, subjected to character assassination, leaks in the press that distort her record, and now, just when she thought she was going to come to the Senate floor, not have that opportunity because some people are cranky about an Executive order issued by President Clinton. Be cranky with President Clinton. Do not be cranky with Alexis Herman or hold up her nomination.

We cannot have this held up because of crankpots. I know Alexis Herman and I have known her for 20 years, when she worked in the Carter administration and I was a Congresswoman. Alexis Herman comes to us having graduated from a Catholic college in New Orleans, Xavier University. She was a social worker, working at Catholic Charities in foster care. Then she wanted to make sure she prevented family breakups, and she began working in job training and placement. In 1974, she headed up a black woman's employment program that then, because of its innovation and her management skill, went to nine other cities.

Miss Herman brings to us a background where, at age 27, she was running a 10-city program to help minority women break into the work force. Is that not a Secretary of Labor we want to move people from welfare to work? At 29, she was the youngest person ever named to head the Women's Bureau of the Department of Labor. Following that first Government service, she then went on to run her own business and help manage the 1992 Democratic convention. She is a coalition builder. Throughout her career, she has worked with parties on all sides to find good solutions. If you go back and talk with the people who have worked for her over the years, advocacy groups believe she will speak up for those who are left out and left behind.

The community that provides the jobs, the business community, feels that she is a coalition builder and helps them solve issues from regulatory reform to how to do outreach in the minority communities.

She will bring to the Labor Department a lifelong commitment to making sure that we create an opportunity ladder in this century. She has said publicly and to me privately that she wants to accept the challenge of moving people from welfare to work in a new era of time limit on welfare. She wants enhanced health and pension security for working people. She wants to ensure a safe and equal opportunity workplace, and she wants to work with the President in this on extending the lifelong education and training opportunities for our citizens.

Mr. President, we need a Secretary of Labor. We need someone who is a leader, who is effective, and who has a vision for the future. I really encourage that the nomination of Alexis Herman be brought up after we finish our discussion on the chemical weapons treaty.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want just to commend the Senator from Maryland for an excellent presentation and one which I hope our friends and colleagues on the other side of the aisle would hear and heed. I see my good friend from Nevada on the floor, who will address the Senate in a few moments as well about the labor nominee.

I want to just underscore two different items, Mr. President. First, the Labor and Human Resources Committee had the opportunity to go through the hearings. These were extensive background hearings on the qualifications of Ms. Herman. I will have an opportunity, when the Senate finally comes to consider the nomination, to review the record on her background and experience, but Senator MIKULSKI has done so this afternoon in a very, very thorough way. This is really an extraordinary individual.

In spite of many allegations and charges which have been responded to, we are in a situation where the one Cabinet office which is there to hold the spokesperson for working families is vacant—vacant—and the nomination is being held hostage because of a difference with the President of the United States signing an Executive Order regarding project labor agreements, or what they call PLA's. Those are arrangements and agreements that can be done voluntarily within States, that more often than not result in the saving of taxpayers' money and the reduction of accidents on the construction site. PLA's also allow for the relationships between workers and management to be worked out in a very constructive and positive way to make sure we have ontime results and achieve high quality outcomes.

PLA's have been done under Republican Governors and Democratic Governors, in New York, New Jersey, and Nevada, among others. Now the President of the United States wishes to exercise his power to issue an Executive order. That is differed with by Members. But they have the right to go into court and challenge that at a later time.

The point that Senator MIKULSKI, Senator REID, others, and I will make is that if our Republican friends have a difference with the President on the issue of the PLA's, why hold up Alexis Herman, who is the spokesperson for working families in this country, from being able to assume the responsibilities of that particular position?

It is a very important position. We have several pieces of legislation that are on the calendar which relate to the conditions of working families in this country, including the so-called TEAM Act, the so-called comptime bill, and others, which we will have an opportunity to debate at some time. These are pieces of legislation that will have a direct impact on working conditions and wages of working families. Still, we do not have a Secretary of Labor in place, who will speak for workers, and that is because there is a small group of Senators who are effectively holding her hostage.

We understand today is the Passover holiday, which is a period of celebration and a very special time of contemplation and thought and prayer by many Americans, and therefore we are not doing the Senate's business, and we do not ask the Senate to consider the