Nomination in the Foreign Service:

Marilyn E. Hulbert received by the Senate and appeared in the RECORD of February 13, 1997

Nominations in the Foreign Services: Beginning John R. Swallow and ending George S. Dragnich received by the Senate and appeared in the RECORD of April 25, 1997.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRAMS (for himself, Mr. D'AMATO, Mr. SARBANES, Ms. MOSELEY-BRAUN, Mr. MCCONNELL, and Mr. LEAHY):

S. 1026. A bill to reauthorize the Export-Import Bank of the United States; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CAMPBELL (for himself, Mr. JOHNSON, Mr. DOMENICI, and Mr. HATCH):

S. 1027. A bill to extend the Native American veteran direct housing loan pilot program, and for other purposes; to the Committee on Veterans Affairs.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1028. A bill to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management; to the Committee on Energy and Natural Resources.

By Mr. DEWINE (for himself and Mr. WELLSTONE):

S. 1029. A bill to provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession, to provide loan cancellation for certain child care providers, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. FRIST (for himself and Mr. WELLSTONE):

S. 1030. A bill to amend title IV of the Public Health Service Act to establish a National Center for Bioengineering Research; to the Committee on Labor and Human Resources.

By Mr. GRASSLEY (for himself and Mr. D'AMATO):

S. 1031. A bill to protect Federal law enforcement officers who intervene in certain situations to protect life or prevent bodily injury; to the Committee on the Judiciary.

By Mr. HELMS:

S. 1032. An original bill to amend the Foreign Assistance Act of 1961 with respect to the authority of the Overseas Private Investment Corporation to issue insurance and extend financing; from the Committee on Foreign Relations; placed on the calendar.

By Mr. COCHRAN:

S. 1033. An original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. BOND:

S. 1034. An original bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for fiscal year ending September 30, 1998, and for other purposes; from the Committee on Appropriations; placed on the calendar.

By Mr. REED (for himself, Mr. TORRICELLI, Mr. CHAFEE, and Mr. LAUTENBERG):

S. 1035. A bill to establish a moratorium on large fishing vessels in Atlantic herring and mackerel fisheries; to the Committee on Commerce, Science, and Transportation.

By Mr. ALLARD (for himself and Mr. CAMPBELL):

S. 1036. A bill to amend section 435(d)(1)(A)(ii) of the Higher Education Act of 1965 with respect to the definition of an eligible lender; to the Committee on Labor and Human Resources.

By Mr. JEFFORDS (for himself, Mr. DODD, and Mr. ENZI):

S. 1037. A bill to amend the Internal Revenue Code of 1986 to establish incentives to increase the demand for and supply of quality child care, to provide incentives to States that improve the quality of child care, to expand clearing-house and electronic networks for the distribution of child care information, to improve the quality of child care provided through Federal facilities and programs, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HELMS:

S. Con. Res. 40. An original concurrent resolution expressing the sense of Congress regarding the OAS–CIAV Mission in Nicaragua; from the Committee on Foreign Relations; placed on the calendar.

By Mr. HELMS:

S. Con. Res. 41. An original concurrent resolution calling for a United States initiative seeking a just and peaceful resolution of the situation on Cyprus; from the Committee on Foreign Relations; placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CAMPBELL (for himself, Mr. JOHNSON, Mr. DOMENICI, and Mr. HATCH):

S. 1027. A bill to extend the native American veteran direct housing loan pilot program, and for other purposes; to the Committee on Veterans' Affairs.

NATIVE AMERICAN VETERANS HOUSING LOAN IMPROVEMENTS LEGISLATION

Mr. CAMPBELL. Mr. President, I am pleased today to introduce legislation to extend and improve the native American veteran direct loan pilot program. I am pleased to add Senators JOHNSON, DOMENICI, and HATCH as cosponsors of this legislation.

America's most important resource has always been the individuals willing to lay down their lives for their country. Throughout our history we have been blessed with men and women willing to put themselves at risk for the greater good.

Native Americans have been proud to be a part of this Nation's defense. From the revolutionary era to our ongoing peacekeeping missions around the globe, native Americans have served and continue to serve the United States honorably. It may surprise some members to know that native Americans served, suffered, and died in service to this Nation even though they were not allowed to be citizens until 1924.

As a veteran I feel a special kinship with all those men and women who served this Nation in peacetime and in war. As an Indian veteran I am keenly aware of the dedicated service Indians, Alaskans, and Hawaiians have given—often without recognition of their sacrifice.

How can we compensate these men and women for making the greatest sacrifice they could? There is no dollar value we can place on a life. At the very least, we must provide the basic benefits of health care, housing, and education to those that laid down their lives for America.

Since 1992, the Department of Veterans Affairs has operated a direct housing loan program to help native America veterans build decent homes. I was amazed to find out that in the last 5 years, that program had provided eight Indian veterans with loans.

That is not an indication that all Indian veterans have no housing needs. During a hearing on veterans issues, members of the Indian Affairs Committee saw videotape of the houses used by Navajo veterans. They looked like something you would see in a Third World nation, not America. Houses had holes in their roofs and walls and plastic sheets for windows. Many houses do not have working plumbing and water has to be carried from miles away. This is certainly not the appreciation and respect war veterans deserve.

Native Americans seeking home loans face many obstacles unique to Indian country, including poor economic conditions and the fact that the land cannot be used as collateral. But the most surprising revelation at the committee's hearing was that the majority of Indian veterans seem to have little or no knowledge that the VA's direct loan program exists. If they do, many do not know how or where to apply. The Government has no problem finding these men and women when it is time to draft them to fight in a war. But when it is time to pay them back for their sacrifice, the effort just is not there.

That is why the bill I introduce today does more than extend the direct loan program for 3 years. It includes measures to boost the Department of Veterans Affairs' efforts to implement the direct loan program for native American veterans. The bill places new requirements on the Department to consult with tribal organizations, native veterans organizations, and other groups prior to making decisions under the act. It also expresses Congress's desire that the Department carry out vigorous outreach and education efforts to inform potential beneficiaries of the housing assistance benefits under the

act. The bill requires the Department to submit annual reports to the Committee on Indian Affairs, the House Resources Committee, and the Veterans' Committees of both Chambers containing a description of the outreach activities undertaken by the VA on a regional basis, with a second mandate that the VA conduct an assessment of how effective these efforts have been in encouraging greater use of the loan program.

We must honor the service and sacrifice of our warriors. We must recognize the sacrifice they have made for all of us. The direct loan program is an ambitious idea designed to help our veterans with the most basic human need: a roof over their heads. It should not sit unused because of bureaucratic complacency. It is my hope that this reauthorization, with the appropriate changes, will jumpstart the Department's efforts to make the program available to native veterans and help them use it. I believe it is the least we can do. I urge my colleagues to join me in supporting this critical legislation.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

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

S. 1027

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

SECTION 1. FINDINGS.

Congress makes the following findings:

(1) Native Americans across the United States have a long, proud, and distinguished tradition of service in the Armed Forces of the United States.

(2) Native Americans have historically served in the Armed Forces in numbers which far exceed their representation in the population of the United States.

(3) Native Americans have lost their lives in the service of the United States and in the cause of peace.

(4) The demand for safe, decent, and affordable housing among the 210,000 Native American veterans in the United States is acute.

(5) Native American veterans face unique impediments to the use of traditional housing programs to benefit veterans such as poor economic conditions, the legal status of Indian trust lands, and the lack of incentives for lenders to make loans on trust lands.

SEC. 2. EXTENSION OF DIRECT HOUSING LOAN PILOT PROGRAM.

Section 3761(c) of title 38, United States Code, is amended by striking out ''September 30, 1997'' and inserting in lieu thereof ''September 30, 2000''.

SEC. 3. OUTREACH.

Section 3762(i) of title 38, United States Code, is amended—

(1) by inserting '', in consultation with tribal organizations and Native American veterans organizations,'' after ''The Secretary shall''; and

(2) by striking out ''tribal organizations and''.

SEC. 4. CONSULTATION WITH NATIVE AMERICAN VETERANS ORGANIZATIONS.

The Secretary of Veterans Affairs shall consult with Native American veterans organizations in carrying out the Native American veterans direct housing loan program under subchapter V of chapter 37 of title 38, United States Code.

SEC. 5. ANNUAL REPORTS.

Section 8(d) of the Veterans Home Loan Program Amendments of 1992 (Public Law 102–547; 106 Stat. 3640; 38 U.S.C. 3761 note) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking out ''1998,'' and inserting in lieu thereof ''2001,''; and

(B) by inserting '', the Committee on Indian Affairs of the Senate, and the Committee on Resources of the House of Representatives'' after ''the House of Representatives'';

(2) by striking out ''and'' at the end of paragraph (3);

(3) by redesignating paragraph (4) as paragraph (5); and

(4) by inserting after paragraph (3) the following new paragraph (4):

''(4) a description of the outreach activities undertaken by the Secretary under section 3762(i) of such title (as so added) which—

''(A) specifies such activities on a region-by-region basis; and

''(B) assesses the effectiveness of such activities in encouraging the participation of Native American veterans in the pilot program; and''.

VETERANS DIRECT HOUSING LOAN PILOT PROGRAM—SECTION-BY-SECTION ANALYSIS

Background. Begun in 1992, the Native American Veterans Housing Program is due to be reauthorized. The account retains some $3.5 million of an original $5 million appropriation. Since 1992, the performance of the Veterans Administration in distributing this money to Indians is poor, especially compared with the experience of the Native Hawaiians and Pacific Islanders. The goal of the amendments is to get the VA to do its job better in Indian country. The reasons adduced by the VA for the poor performance are not convincing.

Section 1. New Findings Section. This section recognizes Indians' long and historic contributions made to the Armed Forces and defense of the United States. This section also recognizes the acute need for housing among the more than 200,000 native veterans, and the unique impediments native veterans face due to poor economic conditions on the reservation, and the inability to securitize Indian trust lands.

Section 2. Extension of Program. The bill would extend the authority for the program for 3 years, to September 30, 2000.

Section 3. Outreach. Most of the discernible problems in the implementation of this program involve a lack of knowledge about the program by Indians and lack of proactive endeavors by the VA to disseminate information about the program through Indian country. The bill would place new requirements on the VA to consult with tribal organizations, native veterans organizations, and other groups prior to making decisions under the act.

Section 4. Consultation with Native American Veterans Organizations. This new section requires the VA to consult with native veterans organizations in implementing the act.

Section 5. Annual Reports. The VA is required to submit annual reports to the Committee on Indian Affairs, the House Resources Committee, and the veterans committees of both Chambers containing a description of the outreach activities undertaken by the VA on a regional basis, with a second mandate that the VA conduct an assessment of the efficacy of such activities in encouraging greater use of the program.

By Mrs. FEINSTEIN (for herself and Mrs. BOXER):

S. 1028. A bill to direct the Secretary of Agriculture to conduct a pilot project on designated lands within Plumas, Lassen, and Tahoe National Forests in the State of California to demonstrate the effectiveness of the resource management activities proposed by the Quincy Library Group and to amend current land and resource management; to the Committee on Energy and Natural Resources.

THE QUINCY LIBRARY GROUP FOREST RECOVERY AND ECONOMIC STABILITY ACT OF 1997

Mrs. FEINSTEIN. Mr. President, today Senator BARBARA BOXER and I are introducing the Quincy Library Group Forest Recovery and Economic Stability Act of 1997. This legislation is nearly identical to H.R. 858 sponsored in the House of Representatives by Congressman WALLY HERGER and passed by the House last week on a vote of 429 to 1.

The House vote is remarkable for two reasons:

First, any legislation involving a controversial issue—particularly on one as contentious as forest management —that receives 429 votes is remarkable in and of itself.

Second, the process by which this legislation evolved is really, I think, groundbreaking, and it deserves to be recognized.

I first met the Quincy Library Group back in 1992 when I was running for the Senate, and was then very impressed with what they were trying to do.

The overwhelming House vote is a real victory for local communities like Quincy which seek to avoid the polarizing—and often paralyzing—battles that have characterized forest management issues for the last decade.

The Quincy Library Group is a local coalition of timber industry representatives, environmentalists, citizens, and elected officials in Plumas, Lassen, and Sierra Counties, CA, who came together to resolve their long-standing conflicts over timber management on the national forest lands in their area.

They had seen first hand the seemingly ever present conflict between timber harvesting and jobs, environmental laws and protection of their communities and forests, and the devastation of massive forest fires. They also saw that a practical solution to the conflict between timber interests and environmental interests were both going to be wiped out one day by uncontrollable wildfires. And so they tried to get together and talk things out.

They decided to meet in a quiet, nonconfrontational environment—the main room of the Quincy Public Library. Hence, they became known as the Quincy Library Group.

They began their dialog in the recognition that they shared the common goal of fostering forest health, ecological integrity, an adequate timber supply for area mills, and economic stability for their community.

So, after a year-and-a-half of negotiation, the Quincy Library Group developed an alternative management

plan for the Lassen National Forest, Plumas National Forest, and Sierraville Ranger District of the Tahoe National Forest.

This legislation is the result. The bill we introduce today implements the Quincy Library Group's plan.

I know that some environmental organizations had concerns about aspects of this legislation, and some may still oppose it.

But let me make something very clear: As I stated when I met with the Quincy Library Group, in order to have my support, the legislation had to explicitly state that all activities would be carried out consistent with all applicable Federal environmental laws, both substantive and procedural. The administration made this requirement clear as well.

The House bill and this legislation do so.

Another condition for my support, and that of the administration, was that the legislation must authorize sufficient funds to carry out the plan, so that funds will not be diverted from other important programs like wildlife protection, grazing and recreation.

The House bill and this legislation authorize appropriations to do so.

With these key provisions in place, I believe this legislation deserves strong support and swift passage.

Specifically, this legislation:

Directs the Secretary of Agriculture to implement the Quincy Library Group's forest management proposal on designated lands in the Plumas, Lassen, and Tahoe National Forests for 5 years as a demonstration of community-based consensus forest management;

Protects the California spotted owl and riparian areas by excluding all spotted owl habitat in the pilot project area from logging and other resource management activities during the 5-year pilot project, and requiring the Forest Service to follow the scientific analysis team guidelines for riparian system protection;

Calls for the construction of fuel breaks on 40,000 to 60,000 acres a year;

Provides for group selection on 0.57 percent of the project area annually as well as individual tree selection uneven-aged forest management;

Limits the total acreage subject to forest management activities to 70,000 acres annually;

Requires a program of riparian management, including wide protection zones and riparian restoration projects;

Requires the preparation of an environmental impact statement prior to the commencement of the pilot project;

Authorizes the appropriation of funds to carry out the Quincy Library Group pilot project;

Directs the Forest Service to amend the land and resource management plans for the Plumas, Lassen, and Tahoe National Forests to consider adoption of the Quincy Library Group plan in the forest management plans;

Requires an annual report to Congress on the status of the pilot project, including the source and use of funds, the acres treated and description of the results, economic benefits to the local communities, and activities planned for the following year; and finally,

Requires a scientific assessment of the Quincy Library Group project to be commenced at the midpoint of the project and submitted to Congress by July 1, 2002.

At the suggestion of the environmental community, and with the concurrence of the Quincy Library Group, I have added language to the House version of the bill to provide additional environmental safeguards. These additions will ensure that there will be no road building or timber harvesting on the lands the Quincy Library Group plan designated as off base, plan designates certain lands as deferred, and require the annual reports and the final report on the Quincy Library Group project to include a report on any adverse environmental impacts of the pilot project. Finally, it is our intention that areas of late successional emphasis identified in the Sierra Nevada ecosystem project report also be protected from resource management activities during the pilot project, and I will seek committee report language on this issue.

What all this means is that as a result of the Quincy Library Group pilot project:

The threat of catastrophic forest fires will be reduced, through the clearing of underbrush and thinning of the smaller trees;

Enough jobs in the forests will be provided to keep the local mills in operation and the communities in existence; and

Forest health will be improved, riparian areas will be restored, and biological diversity maintained.

Mr. President, I believe the Quincy Library Group deserves a great deal of credit and respect for approaching a tough issue with the goal of finding common ground.

There is a lot of common ground. They all live in the area. They all work there. They raise their children there. They all care about both the environment and the industry that provides jobs to the region. They wanted to work out a solution instead of continuing the take-no-prisoners-approach of endless litigation and standoff.

I believe the solution-based approach demonstrated by the Quincy Library Group should be supported by the Congress, and that is why I committed months ago to introduce legislation based on this group's efforts.

On an issue like forest management and timber harvesting, many local variables are involved and must be considered to find workable solutions:

For example, the wildfire threat in Tennessee is not the same as it is in California.

And the economic impact of the timber industry may be different in Hayfork, CA than it is in Juneau, AK.

The bottom line is that, as long as certain basic standards of environmental law are met, this pilot project will demonstrate whether a local initiative can be successful in developing a forest management plan that works to protect the old growth trees, endangered species, and jobs for the community.

And based on that belief I am pleased to support their efforts by sponsoring this legislation in the U.S. Senate.

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

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

S. 1028

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 ''Quincy Library Group Forest Recovery and Economic Stability Act of 1997''.

SEC. 2. PILOT PROJECT FOR PLUMAS, LASSEN, AND TAHOE NATIONAL FORESTS TO IMPLEMENT QUINCY LIBRARY GROUP PROPOSAL.

(a) DEFINITION.—For purposes of this section, the term ''Quincy Library Group-Community Stability Proposal'' means the agreement by a coalition of representatives of fisheries, timber, environmental, county government, citizen groups, and local communities that formed in northern California to develop a resource management program that promotes ecologic and economic health for certain Federal lands and communities in the Sierra Nevada area. Such proposal includes the map entitled ''QUINCY LIBRARY GROUP Community Stability Proposal'', dated June 1993, and prepared by VESTRA Resources of Redding, California.

(b) PILOT PROJECT REQUIRED.—

(1) PILOT PROJECT AND PURPOSE.—The Secretary of Agriculture (in this section referred to as the ''Secretary''), acting through the Forest Service and after completion of an environmental impact statement (a record of decision for which shall be adopted within 200 days), shall conduct a pilot project on the Federal lands described in paragraph (2) to implement and demonstrate the effectiveness of the resource management activities described in subsection (d) and the other requirements of this section, as recommended in the Quincy Library Group-Community Stability Proposal.

(2) PILOT PROJECT AREA.—The Secretary shall conduct the pilot project on the Federal lands within Plumas National Forest, Lassen National Forest, and the Sierraville Ranger District of Tahoe National Forest in the State of California designated as ''Available for Group Selection'' on the map entitled ''QUINCY LIBRARY GROUP Community Stability Proposal'', dated June 1993 (in this section referred to as the ''pilot project area''). Such map shall be on file and available for inspection in the appropriate offices of the Forest Service.

(c) EXCLUSION OF CERTAIN LANDS, RIPARIAN PROTECTION AND COMPLIANCE.—

(1) EXCLUSION.—All spotted owl habitat areas and protected activity centers located within the pilot project area designated under subsection (b)(2) will be deferred from resource management activities required under subsection (d) and timber harvesting during the term of the pilot project.

(2) IN GENERAL.—The Regional Forester for Region 5 shall direct that during the term of the pilot project any resource management

activity required by subsection (d), all road building, and all timber harvesting activities shall not be conducted on the Federal lands within the Plumas National Forest, Lassen National Forest, and Sierraville Ranger District of the Tahoe National Forest in the State of California that designated as either ''Off Base'' or ''Deferred'' on the map referred to in subsection (a).

(3) RIPARIAN PROTECTION.—

(A) IN GENERAL.—The Scientific Analysis Team guidelines for riparian system protection described in subparagraph (B) shall apply to all resource management activities conducted under subsection (d) and all timber harvesting activities that occur in the pilot project area during the term of the pilot project.

(B) GUIDELINES DESCRIBED.—The guidelines referred to in subparagraph (A) are those in the document entitled ''Viability Assessments and Management Considerations for Species Associated with Late-Successional and Old-Growth Forests of the Pacific Northwest'', a Forest Service research document dated March 1993 and co-authored by the Scientific Analysis Team, including Dr. Jack Ward Thomas.

(4) COMPLIANCE.—All resource management activities required by subsection (d) shall be implemented to the extent consistent with applicable Federal law and the standards and guidelines for the conservation of the California spotted owl as set forth in the California Spotted Owl Sierran Provence Interim Guidelines, or the subsequently issued final guidelines whichever is in effect.

(d) RESOURCE MANAGEMENT ACTIVITIES.—During the term of the pilot project, the Secretary shall implement and carry out the following resource management activities on an acreage basis on the Federal lands included within the pilot project area designated under subsection (b)(2):

(1) FUELBREAK CONSTRUCTION.—Construction of a strategic system of defensible fuel profile zones, including shaded fuelbreaks, utilizing thinning, individual tree selection, and other methods of vegetation management consistent with the Quincy Library Group-Community Stability Proposal, on not less than 40,000, but not more than 60,000, acres per year.

(2) GROUP SELECTION AND INDIVIDUAL TREE SELECTION.—Utilization of group selection and individual tree selection uneven-aged forest management prescriptions described in the Quincy Library Group-Community Stability Proposal to achieve a desired future condition of all-age, multistory, fire resilient forests as follows:

(A) GROUP SELECTION.—Group selection on an average acreage of .57 percent of the pilot project area land each year of the pilot project.

(B) INDIVIDUAL TREE SELECTION.—Individual tree selection may also be utilized within the pilot project area.

(3) TOTAL ACREAGE.—The total acreage on which resource management activities are implemented under this subsection shall not exceed 70,000 acres each year.

(4) RIPARIAN MANAGEMENT.—A program of riparian management, including wide protection zones and riparian restoration projects, consistent with riparian protection guidelines in subsection (c)(2)(B).

(e) COST-EFFECTIVENESS.—In conducting the pilot project, Secretary shall use the most cost-effective means available, as determined by the Secretary, to implement resource management activities described in subsection (d).

(f) FUNDING.—

(1) SOURCE OF FUNDS.—In conducting the pilot project, the Secretary shall use, subject to the relevant reprogramming guidelines of the House and Senate Committees on Appropriations—

(A) those funds specifically provided to the Forest Service by the Secretary to implement resource management activities according to the Quincy Library Group-Community Stability Proposal; and

(B) excess funds that are allocated for the administration and management of Plumas National Forest, Lassen National Forest, and the Sierraville Ranger District of Tahoe National Forest.

(2) PROHIBITION ON USE OF CERTAIN FUNDS.—The Secretary may not conduct the pilot project using funds appropriated for any other unit of the National Forest System.

(3) FLEXIBILITY.—Subject to normal reprogramming guidelines, during the term of the pilot project, the forest supervisors of Plumas National Forest, Lassen National Forest, and Tahoe National Forest may allocate and use all accounts that contain excess funds and all available excess funds for the administration and management of Plumas National Forest, Lassen National Forest, and the Sierraville Ranger District of Tahoe National Forest to perform the resource management activities described in subsection (d).

(4) RESTRICTION.—The Secretary or the forest supervisors, as the case may be, shall not utilize authority provided under paragraphs (1)(B) and (3) if, in their judgment, doing so will limit other nontimber related multiple use activities for which such funds were available.

(5) OVERHEAD.—Of amounts available to carry out this section—

(A) not more than 12 percent may be used or allocated for general administration or other overhead; and

(B) at least 88 percent shall be used to implement and carry out activities required by this section.

(6) AUTHORIZED SUPPLEMENTAL FUNDS.—There are authorized to be appropriated to implement and carry out the pilot project such sums as are necessary.

(7) BASELINE FUNDS.—Amounts available for resource management activities authorized under subsection (d) shall at a minimum include existing baseline funding levels.

(g) TERM OF PILOT PROJECT.—The Secretary shall conduct the pilot project during the period beginning on the date of the enactment of this Act and ending on the later of the following:

(1) The date on which the Secretary completes amendment or revision of the land and resource management plans for Plumas National Forest, Lassen National Forest, and Tahoe National Forest pursuant to subsection (i).

(2) The date that is five years after the date of the commencement of the pilot project.

(h) CONSULTATION.—(1) Each statement required by subsection (b)(1) shall be prepared in consultation with the Quincy Library Group.

(2) CONTRACTING.—The Forest Service, subject to the availability of appropriations, may carry out any (or all) of the requirements of this section using private contracts.

(i) CORRESPONDING FOREST PLAN AMENDMENTS.—Within 180 days after the date of the enactment of this Act, the Regional Forester for Region 5 shall initiate the process to amend or revise the land and resource management plans for Plumas National Forest, Lassen National Forest, and Tahoe National Forest. The process shall include preparation of at least one alternative that—

(1) incorporates the pilot project and area designations made by subsection (b), the resource management activities described in subsection (d), and other aspects of the Quincy Library Group Community Stability Proposal; and

(2) makes other changes warranted by the analyses conducted in compliance with section 102(2) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)), section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604), and other applicable laws.

(j) REPORTING REQUIREMENTS.—

(1) IN GENERAL.—Not later than February 28 of each year during the term of the pilot project, the Secretary after consultation with the Quincy Library Group, shall submit to Congress a report on the status of the pilot project. The report shall include at least the following:

(A) A complete accounting of the use of funds made available under subsection (f)(1)(A) until such funds are fully expended.

(B) A complete accounting of the use of funds and accounts made available under subsection (f)(1) for the previous fiscal year, including a schedule of the amounts drawn from each account used to perform resource management activities described in subsection (d).

(C) A description of total acres treated for each of the resources management activities required under subsection (d), forest health improvements, fire risk reductions, water yield increases, and other natural resources-related benefits achieved by the implementation of the resource management activities described in subsection (d).

(D) A description of the economic benefits to communities achieved by the implementation of the pilot project.

(E) A comparison of the revenues generated by, and costs incurred in, the implementation of the resource management activities described in subsection (d) of the Federal lands included in the pilot project area with the revenues and costs during each of the fiscal years 1992 through 1997 for timber management of such lands before their inclusion in the pilot project.

(F) A schedule for the resource management activities to be undertaken in the pilot project area during the calendar year.

(G) A description of any adverse environmental impacts.

(2) LIMITATION ON EXPENDITURES.—The amount of Federal funds expended on each annual report under this subsection shall not exceed $50,000.

(k) FINAL REPORT.—

(1) IN GENERAL.—Beginning after completion of 6 months of second year of the pilot project, the Secretary shall compile a science-based assessment of, and report on, the effectiveness of the pilot project in meeting the stated goals of this pilot project. Such assessment and report—

(A) shall include watershed monitoring of lands treated under this section, that should address the following issues on a priority basis: timing of water releases, water quality changes, and water yield changes over the short long term in the pilot project area;

(B) shall include an analysis of any adverse environmental impacts;

(C) shall be compiled in consultation with the Quincy Library Group; and

(D) shall be submitted to the Congress by July 1, 2002.

(2) LIMITATIONS ON EXPENDITURES.—The amount of Federal funds expended for the assessment and report under this subsection, other than for watershed monitoring under paragraph (1)(A), shall not exceed $150,000. The amount of Federal funds for watershed monitoring under paragraph (1)(A) shall not exceed $75,000 for each of fiscal years 2000, 2001, and 2002.

(l) RELATIONSHIP TO OTHER LAWS.—Nothing in this section exempts the pilot project from any Federal environmental law.

Mrs. BOXER. The Quincy Library Group Forest Recovery and Economic Stability Act is the result of many years of consensus building in an effort to unite unlikely partners in a mutually beneficial project.

President Clinton spurred this consensus approach in April 1993, at the Northwest Forest Summit, when he challenged Americans to stay in the conference room and out of the courtroom. One local group put this difficult challenge into action and began a series of meetings in the only place they knew they could ensure civility, and some degree of quiet—their local library. With that, the Quincy Library Group was created.

This group of local citizens surrounding Quincy, CA, including timber industry representatives, local environmental activists, and public officials, have been meeting periodically since 1992 to develop a timber management plan for the areas' surrounding national forests. They did not have an easy task before them—promoting the local economy, preserving jobs, and protecting the environment.

Several years ago I visited Quincy, CA, and had an opportunity to see first hand the problems in the forests and the community at work. Since that time, I have worked with the Quincy Library Group, U.S. Forest Service, Senator FEINSTEIN, Members of Congress, and the national environmental community in an effort to reach a consensus.

I believe that is what we have before us today. This legislation will implement the Quincy Library Group proposal for managing the Tahoe, Lassen, and Sierraville Range of the Tahoe National Forests through biological reserves, fire suppression, riparian restoration, watershed protection, and monitoring.

The House passed a companion bill earlier this week by a near unanimous vote. I believe the overwhelming success in the House was largely due to the inclusion of provisions which ensure compliance with all environmental laws, as well as interim and final California spotted owl guidelines.

This proposal has gone through years of collaboration from many dedicated people with many different interests. We now have legislation to implement this consensus—legislation which can be fined tuned as it moves through the legislative process.

The President's statement of administration policy on the House companion bill suggests further refining the bill so that the pilot project will end once the Forest Service completes the appropriate forest plan amendments. I would be supportive of such a change to the bill.

Some have suggested that the legislation increase the protection of all old growth forests in the area and ensure that logging and road building be prohibited in all roadless and sensitive areas. We should consider that change.

I hope that these concerns can be addressed as this bill moves through the legislative process. Nonetheless, many positive changes have been made to the legislation over the last few months, and although some outstanding concerns still remain, the legislation now provides many of the safeguards necessary to protect the natural environment while promoting the local economy.

I want to thank Senator FEINSTEIN, Congressmen FAZIO, MILLER, HERGER, YOUNG, and the Forest Service for their efforts on this legislation. It has truly been a cooperative effort and I hope we are able to pass this legislation quickly so that we will soon be able to see the proposal implemented on the ground.

By Mr. DEWINE (for himself and Mr. WELLSTONE):

S. 1029. A bill to provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession, to provide loan cancellation for certain child care providers, and for other purposes; to the Committee on Labor and Human Resources.

THE QUALITY CHILD CARE LOAN FORGIVENESS ACT

Mr. DEWINE. Mr. President, I send a bill to the desk now, a bill on behalf of myself and Senator WELLSTONE.

Mr. President, this bill is the Quality Child Care Loan Forgiveness Act and it is intended to, at least in part, deal with a very serious problem in this country. That problem simply is that more and more children, more and more of our children, are every day in child care. There is a real concern about the quality of child care. This bill does not solve every problem in regard to child care, but I think it is a start and I think it would make a significant impact.

Today, more than 70 percent of mothers are in the labor force. Almost 75 percent of married couples with children have both spouses working. All of these working parents, plus parents moving from welfare to work, have to find someone to care for their children if they are going to go out and support their families. Yet today, child care is often very hard to find and quality child care is even harder to find. In just 20 years, the last 20 years, the percentage of children enrolled in some form, in some manner, of child care has gone from 30 percent to 70 percent.

Quality child care is a concern to virtually every family in this country. More and more parents are working. More and more children are in child care. I think the very least we can do is to try to assure those families that, while they are at work, their children will be taken care of by qualified and by competent individuals. This, unfortunately, is not always taking place today. There are many qualified people in child care. There are very many dedicated people in child care. But I think we can do better. This is what this bill intends to address.

Scientists tell us that the largest indicator of a child's intelligence is the mother's education level. While a mother is at work, then it becomes the education level of the child care provider that the child deals with for, sometimes, an extended period of time during the day. With all the new research that we see on the brain and early childhood development, I think we have to reemphasize this particular aspect of child care. We need well-educated, well-trained child care providers. One of the ways we can achieve this, one of the things that we can do to raise the quality of child care, is to say to individuals who are inclined to go into the child care profession that we will in fact help them if they want to make this a profession.

We have to let people know, if they are going to earn a degree to take care of our children, we will help them. Our bill, the bill introduced today by Senator WELLSTONE and myself, will do this. Our bill would help repay the student loans of an individual who earns an early childhood degree and would help repay the loan of that person who goes to work in a licensed child care facility. The Quality Child Care Loan Forgiveness Act would pay off a student loan at the rate of 15 percent a year for people who earn an early childhood degree and who work in a licensed child care facility.

This bill will help bring more qualified individuals to the child care profession. It would also help to decrease the high turnover levels caused, many times, by very low wages.

Let me conclude. The Quality Child Care Loan Forgiveness Act is an important way to improve the quality of child care. American parents need it for their peace of mind, and American children need it for their mind development.

I thank the Chair and ask unanimous consent at this time that the full text of the bill be printed in the RECORD.

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

S. 1029

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 ''Quality Child Care Loan Forgiveness Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) New scientific research shows that the electrical activity of brain cells actually changes the physical structure of the brain, and that without a stimulating environment, a baby's brain suffers.

(2) 12,000,000 children under age 6, and 17,000,000 school-aged children of working parents, need child care. Demand for child care is growing as more mothers enter the workforce.

(3) Good quality child care, in a safe environment, with trained, caring providers who offer stimulating activities appropriate to the child's age, help children grow and thrive. Recent research shows that most child care needs significant improvement.

(4) Good quality child care depends largely on the provider. Yet providers of child care earn on average only $6.70 per hour or $11,725

per year. Such earnings cause high turnover, which affects the overall quality of a child care program and causes anxiety for children.

(5) Children attending lower-quality child care facilities and child care facilities with high staff turnover are less competent in language and social development.

(6) Low-income and high-income children are more likely than middle-income children to attend child care facilities providing high quality child care.

(7) The quality of child care is primarily related to high staff-to-child ratios, staff education, and administrators' prior experience. In addition, certain characteristics distinguish poor, mediocre, and good-quality child care facilities, the most important of which are teacher wages, education, and specialized training.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to bring more highly trained individuals into the early child care profession; and

(2) to keep more highly trained child care providers in the early child care field for longer periods of time.

SEC. 4. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

Part B of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by inserting after section 428J of such Act (20 U.S.C. 1078–10) the following:

"SEC. 428I. LOAN FORGIVENESS FOR CHILD CARE PROVIDERS.

''(a) DEFINITIONS.—In this section:

''(1) CHILD CARE FACILITY.—The term 'child care facility' means a facility that—

''(A) provides child care services; and

''(B) meets applicable State or local government licensing, certification, approval, or registration requirements, if any.

''(2) CHILD CARE SERVICES.—The term 'child care services' means activities and services provided for the education and care of children from birth through age 5 by an individual who has a degree in early childhood education.

''(3) DEGREE.—The term 'degree' means an associate's or bachelor's degree awarded by an institution of higher education.

''(4) EARLY CHILDHOOD EDUCATION.—The term 'early childhood education' means education in the areas of early child education, child care, or any other educational area related to child care that the Secretary determines appropriate.

''(5) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 1201.

''(b) DEMONSTRATION PROGRAM.—

''(1) IN GENERAL.—The Secretary may carry out a demonstration program of assuming the obligation to repay, pursuant to subsection (c), a loan made, insured or guaranteed under this part or part D (excluding loans made under sections 428B and 428C) for any new borrower after October 1, 1994, who completes a degree in early childhood education and obtains full-time employment in a child care facility.

''(2) AWARD BASIS; PRIORITY.—

''(A) AWARD BASIS.—Subject to subparagraph (B), loan repayment under this section shall be on a first-come, first-served basis and subject to the availability of appropriations.

''(B) PRIORITY.—The Secretary shall give priority in providing loan repayment under this section for a fiscal year to student borrowers who received loan repayment under this section for the preceding fiscal year.

''(3) REGULATIONS.—The Secretary is authorized to prescribe such regulations as may be necessary to carry out the provisions of this section.

''(c) LOAN REPAYMENT.—

''(1) IN GENERAL.—The Secretary shall assume the obligation to repay 15 percent of the total amount of all loans made after October 1, 1994, to a student under this part or part D for each complete year of employment described in subsection (b)(1).

''(2) CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan made under this part or part D.

''(3) INTEREST.—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

''(4) SPECIAL RULE.—In the case where a student borrower who is not participating in loan repayment pursuant to this section returns to an institution of higher education after graduation from an institution of higher education for the purpose of obtaining a degree in early childhood education, the Secretary is authorized to assume the obligation to repay the total amount of loans made under this part or part D incurred for a maximum of two academic years in returning to an institution of higher education for the purpose of obtaining a degree in early childhood education. Such loans shall only be repaid for borrowers who qualify for loan repayment pursuant to the provisions of this section, and shall be repaid in accordance with the provisions of paragraph (1).

''(5) INELIGIBILITY OF NATIONAL SERVICE AWARD RECIPIENTS.—No student borrower may, for the same volunteer service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

''(d) REPAYMENT TO ELIGIBLE LENDERS.—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of loans which are subject to the repayment pursuant to this section for such year.

''(e) APPLICATION FOR REPAYMENT.—

''(1) IN GENERAL.—Each eligible individual desiring loan repayment under this section shall submit a complete and accurate application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(2) CONDITIONS.—An eligible individual may apply for loan repayment under this section after completing each year of qualifying employment. The borrower shall receive forbearance while engaged in qualifying employment unless the borrower is in deferment while so engaged.

''(f) EVALUATION.—

''(1) IN GENERAL.—The Secretary shall conduct, by grant or contract, an independent national evaluation of the impact of the demonstration program assisted under this section on the field of early childhood education.

''(2) COMPETITIVE BASIS.—The grant or contract described in subsection (a) shall be awarded on a competitive basis.

''(3) CONTENTS.—The evaluation described in this subsection shall—

''(A) determine the number of individuals who were encouraged by the demonstration program assisted under this section to pursue early childhood education;

''(B) determine the number of individuals who remain employed in a child care facility as a result of participation in the program;

''(C) identify the barriers to the effectiveness of the program;

''(D) assess the cost-effectiveness of the program in improving the quality of—

''(i) early childhood education; and

''(ii) child care services;

''(E) identify the reasons why participants in the program have chosen to take part in the program;

''(F) identify the number of individuals participating in the program who received an associate's degree and the number of such individuals who received a bachelor's degree; and

''(G) identify the number of years each individual participates in the program.

''(4) INTERIM AND FINAL EVALUATION REPORTS.—The Secretary shall prepare and submit to the President and the Congress such interim reports regarding the evaluation described in this subsection as the Secretary deems appropriate, and shall prepare and so submit a final report regarding the evaluation by January 1, 2002.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for fiscal year 1998, and such sums as may be necessary for each of the 4 succeeding fiscal years.''.

SEC. 5. LOAN CANCELLATION.

Section 465(a) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)) is amended—

(1) in paragraph (2)—

(A) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (H), (I), and (J), respectively; and

(B) by inserting after subparagraph (F), the following:

''(G) as a full-time child care provider or educator—

''(i) in a child care facility operated by an entity that meets the applicable State or local government licensing, certification, approval, or registration requirements, if any; and

''(ii) who has a degree in early childhood education;''; and

(2) in paragraph (3)(A)—

(A) in clause (i), by striking ''(G), (H), or (I)'' and inserting ''(H), (I), or (J)''; and

(B) in clause (ii), by inserting ''or (G)'' after ''subparagraph (B)''.

Mr. WELLSTONE. Mr. President, I rise today with my colleague from Ohio to introduce a bill that is an important step toward protecting the lives and the future of this Nation's children. Today in the Labor Committee, we will hear from the parents of a 3-month-old baby who lost his life after only 2 hours in daycare. We as a society must share some of the responsibility for this tragedy with the daycare center that neglected Jeremy Fiedelholtz. We as a society have allowed daycares to be under funded and understaffed, because we have not valued the position of daycare provider. We have not treated that job as a profession, we have not respected their responsibilities and considered such individuals to have a career worthy of compensation, attention, and respect.

The bill that my colleague and I introduce today would provide loan forgiveness for individuals who earn a degree in early childhood education, and enter and remain employed in the early child care profession. It would also provide forgiveness for some existing child care providers who remain in the profession.

The bill seeks to make child care more affordable and to increase the quality of child care by making a career in child care more profitable. It would help make the career of caregiver more affordable and more feasible for those interested in helping children grow. Nationally, child care workers have the following statistics:

97 percent are female; 33 percent are women of color; 41 percent have children; 10 percent are single parents; only 18 percent of child care centers offer their workers health coverage.

In Minnesota child care centers, the average hourly wage for a child care provider is $8.72; for an assistant teacher is $6.66; and for an aide is $5.69. Minnesota family child care providers, who are never covered by the Fair Labor Standards Act, have an average hourly wage of $2.79, and make $7,800 a year for a 60-hour work week. With changes created by the welfare bill in the Federal child care food program, many family child care providers will become ineligible for this program; those who don't pass the costs of care on to the parents will have negative earnings—they will actually lose $71 a week.

Nationally, child care teaching staff earn $6.89 an hour and $12,000 a year. Family child care providers earn $9,500, and unregulated providers, $5,100. Although they are better educated than the average worker, child care workers earn one-third of the average male salary and one-half of the average female salary. It is no surprise that one-third of them leave their centers every year.

In the meantime, in Minnesota, there are 8,960 children on the waiting list for child care. There are probably another 13,440 children who would apply if the waiting list wasn't so long. Mr. President, add all this up and you have a recipe for disaster. Child care is without question among the most important issues facing the workforce today. Parents who can't care for their children, can't work. Child care is without question among the most important issues facing the field of education today. Children who are not stimulated and cared for during the earliest years will never be able to reach his or her full potential when they grow up.

If we don't take the profession seriously and encourage people of caliber to enter the profession of caregiving, and reward those who remain in the profession, then we are risking our economic future and putting at risk millions of children like Jeremy Fiedelholtz. I urge my colleagues to join us in this bipartisan effort to invest money where it is most needed.

Let me just say I am very honored to introduce this legislation with Senator DEWINE. I thoroughly enjoy working with him, and I think we are both very committed to this piece of legislation.

Mr. President, in the Labor Committee today, we are going to hear from the parents of a 3-month-old baby who lost his life after only 2 hours in child care. If you look at the reports, the conditions around our country are not what they should be for children, and if you just think about the pay scale of women and men—they are mainly women—who are child care providers, we have devalued the work of adults who work with children. What this piece of legislation does is it provides loan forgiveness for individuals who earn a degree in early childhood development and then remain employed in this early childhood profession. It also would have some forgiveness for existing child care providers who remain in the profession.

What we are simply trying to say here, I say to my colleagues, is that the neuroscience evidence is compelling, these early years are critical years, we have to get it right, there has to be a nurturing care and the intellectual stimulation and, yet, if you look around the country, nationally child care teaching staff earn an average of $6.89 an hour, or about $12,000 a year.

Actually, in many of our States, people who work in zoos, and by the way I love visiting zoos—it is not my point to put down that work—earn twice as much as women and men who work in child care centers. If we really value children and we really understand that pre-K is so important, and if we really understand—and we should and we must—that we have to make sure that by age 3, children have gotten the nurturing care in order for them to be able to go on and do well in school and do well in life, then it is terribly important that we attach more value to the work that is being done.

That is what this piece of legislation does, which provides the loan forgiveness for women and men I hope will go into this profession. It is a small step forward, but it is an extremely important step.

I am very pleased to introduce this legislation today with my colleague, Senator DEWINE.

By Mr. FRIST (for himself and Mr. WELLSTONE):

S. 1030. A bill to amend title IV of the Public Health Service Act to establish a National Center for Bioengineering Research; to the Committee on Labor and Human Resources.

THE NATIONAL CENTER FOR BIOENGINEERING RESEARCH ACT OF 1997

Mr. FRIST. Mr. President, I rise today to introduce the National Center for Bioengineering Research Act of 1997. Bioengineering is where medical need and technical capability meet to increase our capacity to diagnose and treat disease; to enhance the quality of life of millions of people with chronic conditions; to save millions of dollars in health care costs; and to generate billions of dollars for our economy. Medical devices alone is a $40 billion-a-year industry.

Bioengineering is an interdisciplinary field that applies physical, chemical, and mathematical sciences and engineering principles to the study of biology, medicine, behavior, and health. It advances knowledge from the molecular to the organ systems level, and develops new and novel biologics, materials, processes, implant, devices, and informatics approaches for the prevention, diagnosis, and treatment of disease, for patient rehabilitation, and for improving health.

Although the term ''bioengineering'' may not be commonplace, many of the major medical advances from bioengineering are very familiar, including the heart-lung machine, kidney dialysis, total hip joint replacements, heart pacemakers, artificial hearts, prosthetics, and diagnostic medical imaging. Other advances are right around the corner, including implantable insulin pumps with biosensors that detect exactly when and how much insulin is needed; and regeneration of tissue, cartilage, and even organs, instead of transplantation—which brings with it the risk of rejection, major trauma to the patient, and one of the highest costs in our entire health care system. As a heart-lung transplant surgeon, I know first hand about the life-saving contributions made by all of these bioengineering developments. We need as many new achievements like this as we can produce.

In spite of such spectacular achievements, however, the field of bioengineering suffers from fragmentation and a lack of coordination that could impede and delay future advances in the field. This fragmentation was recognized as early as 1967, when an international conference called for better coordination in bioengineering research.

In 1995, at the request of the Senate Committee on Labor and Human Resources, the NIH submitted a report, ''Support for Bioengineering Research.'' This report was remarkably consistent with a number of previous studies over the last 30 years that stressed the need for: a centralized focus for extramural bioengineering research at NIH; a strong intramural bioengineering program at NIH; and increased coordination of bioengineering activities within NIH and among other Federal agencies.

This legislation seeks to implement those recommendations and is designed to enhance the state of and improve the coordination of bioengineering research conducted within NIH and throughout the Federal Government. This bill calls for the establishment of a National Center for Bioengineering Research within the National Heart, Lung and Blood Institute at NIH. The mission of the Center is to:

First, enhance the state of bioengineering research within NIH;

Second, promote collaborative research projects among NIH institutes and across Federal agencies;

Third, enhance communication among bioengineering investigators within Federal agencies and with private sector entities; and

Fourth, educate the Congress and the public on the critical importance of bioengineering to both the health and the economy of the Nation.

This legislation does not create a new institute within NIH. The Center would have no grantmaking authority. New funding would be allocated to institutes to support basic research projects in bioengineering through the standard peer review process.

This legislation is introduced today as a stand-alone bill. But I expect it to

be included in the reauthorization bill for the National Institutes of Health which, as Chair of the Public Health and Safety Subcommittee of the Committee on Labor and Human Resources, I intend to move forward during the first session of the 105th Congress.

Mr. President, I ask unanimous consent that the bill and summary be printed in the RECORD.

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

S. 1030

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 ''National Center for Bioengineering Research Act''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Bioengineering is an interdisciplinary field that applies physical, chemical, and mathematical sciences and engineering principles to the study of biology, medicine, behavior, and health. It advances knowledge from the molecular to the organ systems level, and develops new and novel biologics, materials, processes, implants, devices, and informatics approaches for the prevention, diagnosis, and treatment of disease, for patient rehabilitation, and for improving health.

(2) Efforts to reduce Federal budget deficits require that resources be managed in ways to maximize productivity.

(3) As part of the NIH Revitalization Act of 1993, Congress asked for a report on the state of bioengineering research at the National Institutes of Health.

(4) In 1994, as requested by the Congress, an External Consultants Committee submitted a report to the Director of the National Institutes of Health on support for bioengineering research.

(5) In 1995, the Director of the National Institutes of Health submitted a report to Congress on Support for Bioengineering Research, that included recommendations for greater coordination of bioengineering research.

(6) In 1996, an amendment to the National Institutes of Health Revitalization Act of 1996 directed the Secretary of Health and Human Services, acting through the Director of the National Institutes of Health, to ''prepare and submit to the Committee on Labor and Human Resources of the Senate and the Committee on Commerce of the House of Representatives, a report containing specific plans and timeframes on how the Director will implement the findings and recommendations of the Report to Congress entitled Support for Bioengineering Research submitted to Congress in August 1995 in compliance with Public Law 103-43, the National Institutes of Health (NIH) Revitalization Act of 1993, Section 1912''. This legislation passed the Senate but was not acted upon by the House.

(7) In the spring of 1997, the National Institutes of Health established the Bioengineering Consortium, with representation from each of the institutes, to advance bioengineering and its mission within the National Institutes of Health.

(8) Legislation is needed to support and further the efforts already begun by the National Institutes of Health in order to maximize the health benefits for the American people.

SEC. 3. ESTABLISHMENT OF NATIONAL CENTER FOR BIOENGINEERING RESEARCH.

(a) IN GENERAL.—Subpart 2 of part C of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end the following:

''SEC. 425A. NATIONAL CENTER FOR BIOENGINEERING RESEARCH.

''(a) ESTABLISHMENT.—The Director of the National Heart, Lung, and Blood Institute shall establish, within the National Heart, Lung, and Blood Institute, a National Center for Bioengineering Research (in this section referred to as the 'Center'). The Center shall be headed by a director, who shall be appointed by the Director of the National Heart, Lung, and Blood Institute.

''(b) PURPOSE.—The purpose of the Center is to—

''(1) promote basic research in bioengineering; and

''(2) establish an office to enhance the state of and improve coordination of bioengineering research conducted within the National Institutes of Health and throughout the Federal Government.

''(c) DUTIES.—The Center shall—

''(1) enhance bioengineering research at the National Institutes of Health by—

''(A) increasing the proportion of National Institutes of Health funds that are devoted to basic rather than applied bioengineering research;

''(B) improving the review of bioengineering grant applications; and

''(C) increasing intramural research in bioengineering;

''(2) convene a conference of bioengineering experts representing relevant Federal agencies, academia, and private sector entities to make recommendations to the Director of the Center regarding—

''(A) setting the agenda of the Center; and

''(B) identifying promising research directions and emerging needs and opportunities in bioengineering research;

''(3) promote joint funding of collaborative bioengineering research projects conducted by the national research institutes and other agencies of the National Institutes of Health or conducted by any such institute and another Federal entity;

''(4) enhance communication among bioengineering investigators within Federal agencies and with private sector entities;

''(5) educate members of Congress and the public on the critical importance of bioengineering in enhancing the diagnosis and treatment of disease and strengthening the economy;

''(6) annually convene a group of bioengineering experts from Federal agencies and private sector entities to advise the Director of the Center; and

''(7) prepare and submit to Congress, through the Director of the National Institutes of Health, an annual report.

''(d) LIMITATION.—The Center may not use amounts provided under this section to award grants.

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) FOR THE CENTER.—There is authorized to be appropriated $750,000 for each fiscal year for the general operation of the Center.

''(2) FOR GENERAL BIOENGINEERING ACTIVITIES.—There is authorized to be appropriated $20,000,000 for each of the fiscal years 1998 through 2007, to be allocated at the discretion of the Director of NIH among the bioengineering activities being carried out by the national research institutes and other agencies of the National Institutes of Health.''.

(b) CONFORMING AMENDMENT.—Section 401(b)(2) of the Public Health Service Act (42 U.S.C. 281(b)(2)) is amended by adding at the end the following:

''(F) The National Center for Bioengineering Research.''.

NATIONAL CENTER FOR BIOENGINEERING RESEARCH ACT OF 1997

DEFINITION

Bioengineering is an interdisciplinary field that applies physical, chemical, and mathematical sciences and engineering principles to the study of biology, medicine, behavior, and health. It advances knowledge from the molecular to the organ systems level, and develops new and novel biologics, materials, processes, implants, devices, and informatics approaches for the prevention, diagnosis, and treatment of disease, for patient rehabilitation, and for improving health.

BACKGROUND

As part of the 1993 reauthorization of NIH, Congress asked for a report on the state of bioengineering research at NIH. In 1994, an interim report from an External Consultants Committee was submitted to the Director of NIH, who submitted a report to Congress in August, 1995 that included recommendations for greater coordination of bioengineering research. In spring 1997 NIH established a Bioengineering Consortium, with representation from each of the institutes, to advance bioengineering and its mission within NIH. This legislation seeks to support and further the efforts already begun by NIH in order to maximize the health benefits for the American people.

IMPACT OF BILL

Bill would create National Center for Bioengineering Research, located within the National Heart, Lung and Blood Institute. Mission of the Center is to enhance bioengineering research within NIH; improve coordination and communication across all Federal agencies; educate members of Congress and the public on importance of bioengineering in enhancing diagnosis and treatment of disease and strengthening the economy; annually convene bioengineering experts to advise Director of the Center; and submit an annual report to Congress.

Center would have no grant-making authority. New funding would be allocated to institutes to support basic research in bioengineering.

By Mr. GRASSLEY (for himself and Mr. D'AMATO):

S. 1031. A bill to protect Federal law enforcement officers who intervene in certain situations to protect life or prevent bodily injury; to the Committee on the Judiciary.

THE FEDERAL LAW ENFORCEMENT OFFICERS' GOOD SAMARITAN ACT OF 1997

Mr. GRASSLEY. Mr. President, today I am introducing the Federal Law Enforcement Officers' Good Samaritan Act of 1997. This bill will help Federal officers do what they do best: protect lives. Under this bill, any Federal law enforcement officer who, while off duty, should unexpectedly arrive at or is present at a crime will be able to take appropriate action.

Mr. President, perhaps a hypothetical example would best explain the intent of this legislation. Lets say a law enforcement officer stops at a convenience store on his way home from work one evening. While picking up a gallon of milk and a loaf of bread, a criminal attempts to rob this particular store. Now most law enforcement folks will tell you that, in this situation, they would feel compelled to take some kind of appropriate action. But in many jurisdictions, if they do

take action and are hurt, or are forced to hurt the criminal, they may not be eligible for their health benefits, and may be open to be sued by the criminal for their actions. The law enforcement officer, acting on his training, and intervening in a situation that he had the training and ability to deal with, would have to cover these expenses from his own pocket. Mr. President, this does not sound fair to me. It can create a situation where the officer may feel unable to act in response to his sense of duty because of concerns that he will be penalized for acting. This legislation would eliminate these legitimate worries.

Let me make it clear that this bill does not expand Federal law enforcement authority. A Federal officer could only make a citizen's arrest, if necessary, and local law enforcement officials would still have jurisdiction in the case. My office has spoken with the National Association of Attorneys General, and they are supportive of this legislation.

I hope that my colleagues will take the time to look at this legislation, and join Senator ALFONSE D'AMATO and me in sponsoring this bill. Our Government has invested a lot of time, energy, and trust in the training and support of our Federal law enforcement officers. We need to be sure that they are able to perform their duties—and to act as we would hope and expect them to act.

Mr. D'AMATO. Mr. President, I rise today to join with Senator GRASSLEY in the introduction of the Federal Law Enforcement Officers' Good Samaritan Act. This bill is essential to protect trained federal law enforcement officers who want to offer assistance when they witness a crime but are afraid of the repercussions afterwards if it is not a crime defined under their agency's authorizing statute.

Agents in the federal law enforcement community are charged with the investigation of criminal activities defined in their authorizing statute. For example, DEA agents investigate drug crimes and a Secret Service agent's role is limited to financial crimes. If acting ''within the scope of their employment'', meaning they deal with only those crimes listed in their agency's authorizing statute, the actions of the Special Agent will not result in personal liability. In addition, the employing agency may assign counsel or provide worker's compensation if the Special Agent was injured in the line of duty.

However, when an off-duty Federal Agent witnesses the commission of a violent crime, such as a DEA agent witnessing a robbery, the intervention is deemed to be outside the scope of his or her employment. Unfortunately, that special agent's intervention may subject the off-duty Federal Law Enforcement Agent to personal liability—without the protections afforded them if they were on duty.

There are few cases nation-wide but it has affected the intervention of our Federal Law Enforcement Officers. In one instance, two DEA agents on a surveillance saw a parked car occupied by a man and a young woman. The car was not part of the surveillance. This did not stop the agents from intervening when they saw the young woman struggling with the man and screaming for help. Their assistance was not ''within the scope of their employment'' but these trained agents wanted to help, using their expertise in crisis situations. The DEA agents certainly were not thinking a lawsuit when they intervened but because their actions were outside the scope, they were acting as private citizens—subjecting their personal assets to a lawsuit.

Federal agents who unexpectedly encounter violence in our communities face an unconscionable choice: 1.) stand by and allow the violence to occur; 2.) refuse help to the victim and allow the perpetrator to escape; or 3.) intervene as a private citizen and risk bankruptcy by a potential lawsuit.

Currently, there exists no federal statute authorizing Federal Special Agents to intervene during the commission of certain violent crimes outside the scope of their statutory authority, and protecting their personal assets when they assist someone in need. I urge my colleagues to review the merits of this bill and join in this effort to relieve the fear of our specially trained law enforcement agent and possibly encouraging their intervention when citizens need it the most.

This bill explicitly defines when a specially trained agent may be protected if he or she offers assistance ''outside the scope of their employment''. These instances are limited to:

(A) the protection of any person in his presence from the imminent infliction of bodily harm;

(B) offering immediate help to any victim who suffers bodily harm in his presence; and

(C) preventing the escape of any person he reasonably believes to be responsible for inflicting, attempting or threatening to inflict, bodily harm to another in his presence.

It will provide the Agent with the same qualified immunity that he has if the act was within the ''scope of his employment'': counsel will be provided to the agent, the Federal Government will indemnify for the damages caused, worker's compensation will be available.

This bill will not curtail the rights of an injured party. It does not prevent an injured party from suing for damages incurred during the intervention by the Agent nor will it restrict the amount of damages that an injured party may receive if the court finds that the Agent acted unreasonably.

This bill will not expand the powers or authorities of Federal law enforcement agencies or give Federal law enforcement agents authority to investigate or to direct any state or local law enforcement body, usurping the powers of the state or local law enforcement agencies, outside of their jurisdiction. Finally, this bill will not restrict the filing of criminal charges if the action of the Agent fits the current statutory definition.

Federal law enforcement agents need this protection and I urge its passage.

By Mr. ALLARD (for himself and Mr. CAMPBELL):

S. 1036. A bill to amend section 435(d)(1)(A)(ii) of the Higher Education Act of 1965 with respect to the definition of an eligible lender; to the Committee on Labor and Human Resources.

KID'S BANK ACT

Mr. ALLARD. Mr. President, I am pleased to introduce legislation amending the Higher Education Act to revise the proportion of student loans that a bank can maintain in relation to their total consumer portfolio. This bill will allow the Young Americans Bank to continue providing a unique opportunity for young people to learn to control a checking account, save for the future, and manage credit obligations. The bank has had resounding success in teaching young clients how to responsibly handle their finances.

The Young Americans Bank has been operating for ten years as the only bank in the nation that exclusively serves young people under the age of 22. It is a full service, State chartered, federally insured bank with almost 17,000 customers from all 50 States and 11 foreign countries. Another exceptional element of the bank is that its holding company, the Young American Education Foundation, is the only nonprofit holding company in the country.

While educating our youth on how to make responsible financial decisions, the Young Americans Bank also has a natural demand for student loans. Section 435 of the Higher Education Act prohibits banks from having student loans comprise more than 50 percent of total loans. Clearly this prohibits the Young Americans Bank from accommodating the large percentage of student loans that they would like to provide for their young clients. It is also important to note that allowing the bank to carry a larger student loan portfolio would improve the bank's financial performance, which in turn would provide more funds for educational programming.

My legislation would allow very small, nonprofit banks to exceed the 50-percent student loan ratio. The exception would apply only to institutions with a total outstanding student loan volume of $10 million or less, and all loans would have to be made to those age 22 and under.

The Young Americans Bank enjoys broad support, and I have received letters endorsing this legislation from Denver's Mayor Wellington Webb, the Colorado Bankers Association, the Colorado Governor's office and numerous financial institutions and universities.

The operation and objectives of the Young Americans Bank should not be limited. This bank does an outstanding

job of providing financial and educational opportunities to young people, and I encourage my colleagues to support their mission and encourage the expansion of such a successful institution.

By Mr. JEFFORDS (for himself, Mr. DODD, and Mr. ENZI):

S. 1037. A bill to amend the Internal Revenue Code of 1986 to establish incentives to increase the demand for and supply of quality child care, to provide incentives to States that improve the quality of child care, to expand clearing-house and electronic networks for the distribution of child care information, to improve the quality of child care provided through Federal facilities and programs, and for other purposes; to the Committee on Finance.

THE CREATING IMPROVED DELIVERY OF CHILD CARE: AFFORDABLE, RELIABLE, AND EDUCATIONAL ACT OF 1997

Mr. JEFFORDS. Mr. President, today, there are more than 12 million children under the age of five—including half of all infants under one year of age—who spend at least part of their day being cared for by someone other than their parents. There are millions more school-aged children under the age of twelve who are in some form of child care at the beginning and end of the school day as well as during school holidays and vacations. And more six to twelve year olds who are latchkey kids—returning home from school to no supervision because parents are working and there are few, if any, alternatives.

The past two decades have seen a dramatic rise in the number of women in the paid labor force. Women now constitute 46% of our nation's labor force. Most women are working to meet their family's basic needs. More than 60% of women with pre-school aged children are employed full- or part-time. Their employment is not a choice, but an essential part of their family's economic survival. And for most of these families, child care is not an option, but a requirement.

Many of the traditional sources of child care are no longer available—as many of the friends, neighbors, grandparents, and other relatives who used to be available to provide child care are also working. Research has repeatedly demonstrated that for parents who must work, child care services that are dependable and of high quality make it easier to find and keep a job. Good child care helps parents reach and maintain economic self-sufficiency. Congress acknowledged this when it passed welfare reform last year, which dramatically increased the amount of entitlement money available for child care.

Steady increases in the number of employed women with young children, combined with last year's welfare reforms, have placed tremendous pressures on communities to dramatically expand the amount of available child care. While the supply of child care has increased over the past 10 years, there are still significant shortages for parents in rural areas, those with school-aged children or infants, and for lower-income families.

I think that few of us know how much child care costs. The Senate Employee's Child Care Center costs between $150 and $175 a week—$7,800 to $9,100 a year. That places it in the high-middle range in terms of costs for the Washington, D.C. area. The younger the child, the higher the costs—and Senate Employee's Child Care Center does not accept children under 18 months old, the most expensive type of child care.

The costs of child care are almost wholly dependent upon the geographic area, the type of child care, and the age of the child. For example, a family purchasing full-time child care services for a four-year-old in rural New York using a family child care home may pay as little as $60 a week. In contrast, a family with an infant using a child care center in New York City may pay more than $250 a week.

For a 3- to 4-year-old child, the least expensive age group, the national average for center-based child care is $4,600 a year. The average cost for high quality care, such as that provided by the Senate Employee's Child Care Center, is between $8,500 and $9,100 a year. The cost of family-based child care is generally less expensive, while in-home care with a nanny or au pair is generally more expensive.

A family normally spends about twenty-percent of its income on housing and ten-percent on food. The costs of child care for a low-or middle-income family can rival the cost of housing and be double the cost of food. Even though most of us recognize the critical part that child care plays in the economic survival of families, we often fail to recognize it as a basic cost which consumes a significant portion of a family's income.

Parents can only purchase child care they can afford. Those who do find care that is affordable and convenient are often unsatisfied with the quality of the care their child receives. In fact, one quarter of all parents would change their child care arrangement if they could find and afford something better.

Since 1990, the costs of child care have risen about six-percent annually. This is almost triple the annual increase in the cost of living. At the same time, there are strong indicators that the quality of child care has significantly decreased during that same period of time. Parents are paying more but getting less.

The quality of child care in America is very troubling. A recent nationwide study found that forty-percent of the child care provided to infants in child care centers was potentially injurious. Fifteen-percent of center-based child care providers for all pre-schoolers are so bad that a child's health and safety are threatened; seventy-percent are mediocre—not hurting or helping children; and fifteen-percent actively promote a child's development. Center-based child care, the object of this study, is the most heavily regulated and frequently monitored type of child care. There are strong indications that care for children in less regulated settings, such as family-based child care and in-home care, is far worse.

Combining the research on the quality of child care with the breakthroughs on the development of the human brain produces a very disturbing situation. Many children enter child care by eleven weeks of age, are in care for close to 30 hours a week, and often stay in some form of child care until they enter school. During that same period of life, a child's brain is undergoing a series of extraordinary changes.

In the first three years of life, the brain either makes the connections it needs for learning or it atrophies, making later efforts at remediation in learning, behavior, and thinking difficult, at best. The experiences and stimulation that a caretaker provide to a child are the foundations upon which all future learning is built. The brain's greatest and most critical growth spurt is between birth and ten years of age—precisely the time when non-parental child care is most frequently utilized. A Time magazine special report on ''How a Child's Brain Develops'' (February 3, 1997) said it best, ''. . . Good, affordable day care is not a luxury or a fringe benefit for welfare mothers and working parents but essential brain food for the next generation.'' While bad child care can seriously impair a child's development, high-quality child care significantly increases the chances of good developmental outcomes for children.

Think about it. At the most important time in the development of a child's brain, more than twelve million children are being cared for by people who are paid less than the person who picks up your garbage each week, and are required to have less training than the person who cuts your hair, and less skill-based testing than the person delivering packages to your house. Child care providers play an important role in a child's development, for they help fine-tune the child's capacity to think and process information, social skills, emotional health, and acquisition of language.

Last year, our goal in child care was to streamline federal assistance by creating a cohesive structure for federal assistance and to provide sufficient government funds to subsidize child care for welfare recipients who were transitioning into work. This year our goal must be to promote the healthy development of children in child care. I am worried that the pressure of the need to accommodate the increasing demand for child care will force many into forgoing quality just to increase the number of child care slots available.

I rise today to introduce legislation entitled ''Creating Improved Delivery of Child Care: Affordable, Reliable, and Educational Act of 1997,'' the CIDCARE Act. It incorporates modifications to the tax code, an incentive grant program for states (including wage subsidies for child care providers who get additional training and education and a grant program to encourage small business partnerships to provide child care for employees), a technology-based infrastructure for the professional development of child care providers, educational loan forgiveness for child care providers, requirements that states include the cost of child care in the calculation of child support orders, expansion of the federal government's technical assistance and information dissemination role, and requirements that child care centers located in federal facilities to meet high quality standards of care.

There is no one thing—no magic bullet—that will ensure higher quality child care. Each of these provisions has been included to solve a specific problem or break through a barrier that has hampered efforts to improve the quality of child care. Taken as a whole, these provisions represent a comprehensive effort to increase the supply while simultaneously creating a demand for high-quality child care, and make it affordable for low- and middle-income families.

To offset the cost of these changes, the bill reduces, but does not eliminate, the dependent care tax credit for upper income taxpayers. Over a 5-year period, it gradually decreases the amount that an employee can place in a dependent care assistance plan used to reimburse nonaccredited or non-credential child care. In addition, the legislation expands the coordinated enforcement efforts of the Internal Revenue Service and the HHS Office of Child Support Enforcement, which will significantly reduce the amount of fraud related to illegal tax deduction and credit claims by noncustodial, noncontributing parents.

The first provision in CIDCARE makes several changes in the Child and Dependent Care Tax Credit [CDCTC]. This tax credit is the largest tax-based subsidy for child care. The bill raises the income level for the receipt of the highest percentage of employment-related child care costs from $10,000 to $20,000. The percentage is decreased at a rate of 1 percent for each additional $2,500 in adjusted gross income and sets a minimum percentage of 10 percent for incomes of $70,000 and above.

This change represents a more equitable distribution of limited resources based on the percentage of income a family must use to meet child care expenses. For families qualifying for the EITC, the legislation makes the child care tax credit refundable, on a quarterly basis. This will enable many low-income working families to move from part-time to full-time employment, by easing the burden of child care costs and having the money available at regular intervals throughout the year.

Another revision to the Child Care Tax Credit establishes, over a 5-year period, different rates for the tax credit, dependent on whether the child care is provided in an accredited child care facility or by a credentialed professional. This will reward parents who choose high-quality child care and help defray the additional costs of that care.

I am sensitive to the concerns of colleagues who object to reducing the child care tax credit. But before you judge this reduction too harshly, let's put it into perspective. The tax credit remains at or above the current rate of 20 percent for parents with adjusted gross incomes of $45,000 or less, regardless of the type of child care. The median income of families with children nationally is $37,000. While there are wide differences in between States, there are only four States where the median exceeds $45,000 AGI, triggering a reduction in the current rate of 20 percent. The median income in most States is significantly below this trigger.

At the end of the 5-year phase in period, the tax credit remains at or above the current 20 percent rate for families with an AGI of $55,000—if they choose high-quality child care. No States have median incomes of families with children which exceed this which triggers a reduction below current child care tax rate. Families with incomes at or above $70,000 will still receive a tax credit of ten percent, increased to 12.5% if high quality care is used.

In terms of money, a one percent decrease in the child care tax credit equals $24 when care for one child is claimed, and $48 for two or more children. Families making $70,000 or more are the hardest hit by my legislation. Yet their maximum financial cost is $240 a year for one child,or $480 a year for two or more children—about half of one percent of their adjusted gross income.

The second area of changes occurs in the Dependent Care Assistance Plan (DCAP). The CIDCARE Act increases the amount that an employee can contribute to a DCAP account, if the funds are used to pay for the care of two or more eligible persons. In addition, the amount of DCAP contributions is increased for high-quality care and decreased for care that is provided by an unaccredited child care facility or a person who has not received a professional credential. At the end of the five year phase in, the maximum decrease in the DCAP amount for unaccredited care is 20% lower than the current ceiling on contributions. These differential rates are phased in over a five year period in order for child care providers to achieve accreditation or become credentialed in child care.

Current law prohibits DCAP from being used to pay relatives for care. While I support needed controls on the use of DCAP accounts in most cases, my legislation would make a very limited exception to this prohibition. DCAP payments could be made to pay a parent or grandparent to care for a newborn child. The DCAP account could be joined at anytime during a pregnancy. The funds would be available for up to 12 months from the date of deposit into the employee's DCAP account—because babies have a timetable all their own when it comes to being born.

The last change CIDCARE makes in the Dependent Care Assistance Plan is a requirement that federal employees have the opportunity to contribute to DCAP. Private employees, as well as many state and local governments, have had DCAP available for their employees since 1981. Consistent with the intent of the Congressional Accountability Act, I want to make this child care subsidy available to federal workers, including legislative branch employees.

Child care is a growing concern to businesses, big and small. Employers are coming to the realization that affordable, convenient high-quality child care is a critical element in hiring and retaining skilled employees. Many companies, such as Johnson & Johnson, IBM, and others have been very innovative in providing child care assistance for their employees. Small businesses in particular are finding it difficult to meet the child care needs of their employees, but recognize the importance of that help.

The CIDCARE Act creates a tax credit for employers providing or otherwise supporting high-quality child care arrangements for their employees. On the Budget Reconciliation bill passed by the Senate, Senator KOHL introduced an amendment to provide a time-limited tax credit for employers who provide child care for their employees. To reinforce the importance of the Kohl amendment, I have included it in CIDCARE. Fifty percent of the expenses incurred by a business to meet the child care needs of employees will be credited toward the business' Federal tax liability. Eligible expenses are capped at $150,000 per year, and the tax credit sunsets after three years.

Costs allowed to businesses under this provision include startup costs, renovations to meet accreditation standards, professional development for child care providers, general operating expenses, subsidized child care for lower paid employees, support for child care resource and referral services and other child care activities. These provisions encourage business involvement and innovation in meeting the child care needs of employees and increasing the demand for higher quality child care.

Current law prohibits businesses from receiving a charitable deduction for donations made to public entities, such as schools and child care services. CIDCARE will extend eligibility for a business charitable deduction to the donation of educational equipment and

supplies donated to public schools, public child care providers, and public child care support entities, such as resource and referral services. If child care is to improve and meet the developmental needs of our Nation's children, every available resource must be made available. Computers which are discarded because they are too slow or have insufficient hard drive capacity, can be the first step into the computer-age for a small child or the link to professional training for a child care provider.

A critical part of improving the quality of child care is professional development for child care providers. Since the 1970's there has been a decline in child care teacher salaries. In 1990, teachers in child care centers earned an average of $11,500 a year. Assistant teachers, the largest growing segment of child care professionals, were paid 10- to 20-percent less than child care teachers. The 1990 annual income of regulated family child care providers was $10,944 which translates to about $4 an hour. Nonregulated family child care, generally comprised of providers taking care of a smaller number of children, earned an average of $4,275 a year—substantially less than minimum wage.

With these wages, it is easy to understand why more child care providers do not participate in professional training or attend college classes to improve their skills. The costs of applying for and receiving certification as a qualified child care professional are minimal, but understandably out of reach for many child care providers.

This legislation will exempt expenses directly related to child care accreditation or becoming credentialed from the 2 percent floor that is applied to miscellaneous itemized deductions. This will at least permit child care providers to receive a full deduction for the expenses associated with improving the child care services which they provide. This incentive for professional growth and the development of new skills is a small but critical part of my overall effort to support high-quality child care.

The last tax modification in CIDCARE creates a very limited exception to the executive use rule governing the tax deduction for home office expenses. The legislation will permit the mixed use of home office space for business and personal purposes to allow a person to care for his or her child. In some ways, the need for this exception comes down to fundamental fairness. How many school holidays, snow days and other times do children accompany their parents into work?

I can always tell when the schools are unexpectedly closed, by the increased number of little people I see in Senate offices and eateries. I have been in Senate offices and other workplaces where a crib or playpen is clearly in evidence. Yet, none of us question whether our offices are exclusively for business use. One of the big incentives for telecommuting and home-based business is to allow parents to have more time with their families, yet existing law would keep a new mother from legitimately claiming a home office deduction if she has her child sleeping in a crib in a corner of the room where she is working.

The non-tax related provisions of the legislation are designed to complement and work with the tax provisions. In order for families to be able to take advantage of the increased tax credits for child care in an accredited center or with a provider who has received a child care credential, there need to be more of these high quality centers and better trained providers. Child care providers must have easy, affordable access to training and other activities which will lead to accreditation and credentialing. This effort will require that the federal government join forces with states and the business community. Parents must be made aware of how to identify quality child care and its importance in their children's lives. And the federal government should set an example by requiring that child care centers located in federal facilities meet higher standards of care. It will take all of these provisions, working together, to improve the quality of child care for our children.

The CIDCARE Act will require that states include the cost of child care in the calculation of child support obligations. When a custodial parent is employed or actively seeking employment, the state procedures for the determination of the amount of child support need to include an amount equal to or more than the child care rates used by the state to administer the Child Care and Development Block Grant Act. When child care is being provided in an accredited child care center or by a credentialed child care that rate will be increased by fifty-percent.

Since the passage of the Child Care and Development Act in 1990, states have been setting ''market'' or ''comparable'' rates for child care. CIDCARE uses those rates as a baseline for adding the cost of child care to the amount of child support which a non-custodial parent will be required to pay. Current child support calculations include estimates of the other basic expenses necessary to provide financially for a child. In many instances, the expense of child care is the direct result of the divorce or lack of financial support from the non-custodial parent. It is only fair that child care expenses be included in those calculations. If the custodial parent secures higher quality child care, the non-custodial parent will share in the additional costs of that care. Children should not be forced into poor quality child care because a non-custodial parent refused to share in the additional expense of higher quality care.

The CIDCARE bill establishes a $260 million competitive grant program to assist states in improving the quality of child care. To be eligible, a state must not have reduced the scope or otherwise decreased the state's licensing requirements since 1995, must be in compliance with the requirements of the Child Care and Development Block Grant, must have drawn down at least 80% of the amount awarded to the state in federal entitlement child care funds requiring a state match, and must conduct annual on-site monitoring of state licensed or otherwise regulated child care facilities, with at least one unannounced visit every 3 years. The legislation requires that a Priority be given to states that raise at least a 10% match for the federal funds from business or other private sources.

States must use at least 20% of the grant funds awarded to establish a subsidy program to provide salary increases to child care providers who are credentialed in the state. The low level of child care wages is the most often cited reason for the tremendous staff turnover in the child care profession. In areas where child care subsidies as low as fifty cents an hour are put in place, the staff turnover rate drops dramatically. The wage subsidy also will encourage more child care providers to get additional training or advance their education.

In addition, states will need to use at least twenty-percent of the funds awarded for a grant program to provide start-up funds for partnerships of small businesses to develop and operate child care cooperative services for their employees. While large employers have both the number of employees to justify an on- or near-site child care center and the additional financial resources for start-up costs, small businesses have been struggling with ways to help their employees meet their child care needs. This grant program will provide time-limited help for partnerships of small businesses who work together to develop child care resources for their employees.

States can use the remainder of grant funds awarded for any of the following activities: developing standards for of entities applying for state recognition for the accreditation and credentialing of child care providers; establishing a scholarship program to help child care providers meet the costs of education and training; expanding state-based child care training and technical assistance activities; improve consumer education efforts including the expansion of resource and referral services and child care complaint systems; providing increased rates of reimbursement provided under federal or state child care assistance for children with special needs; purchasing special supplies, equipment, or meeting other extraordinary expenses necessary for the care of special needs children for distribution to child care providers serving special needs children, or providing increased rates of reimbursement provided under federal or state child care assistance for accredited and credentialed care. Each of these activities has been demonstrated

to be a contributing factor in improving the quality of child care.

Parents, child care providers, employers, and others need a constantly updated source of information about improving the quality of child care. States need a central depository where they can learn what other states are doing as well as a place where they can contribute their own ideas and activities from which others can learn. The collection and dissemination of information, demonstrations, and technology is one of the most important roles of the federal government.

Under provisions in the CIDCARE Act, the Department of Health and Human Services (HHS) will collect information about the importance of high quality child care (including what it is, how to identify it, why it is important for children), and in partnership with the ADCouncil or similar professional advertising entity, distribute that information through a national public awareness campaign and other mechanisms. To increase the capacity of child care credentialing and accreditation entities, HHS will award competitive grants to child care credentialing and accreditation entities that have not been in existence more than 10 years for the purpose of refining and evaluating their procedures for and methods of granting child care accreditation and/or credentialing. The legislation authorizes $10 million annually, to conduct these information and technology transfer activities.

The CIDCARE Act authorizes $50 million a year to create and operate a technology-based training infrastructure to enable child care providers nationwide to receive the training, education, and support they need to improve the quality of child care. The bill builds upon existing distance learning, Internet, and satellite resources, with sufficient funding to expand access to affordable child care training and information. The primary focus of the infrastructure will be to disseminate the training necessary to become an accredited child care center or a credentialed child care professional. Training and education, delivered at a minimal cost and accessible to individuals within 25 miles of their homes, will remove one of the most substantial barriers to child care credentialing and accreditation.

Essentially, the legislation establishes a child care training and education interactive ''network'', which will be used by child care credentialing and accreditation entities for training, skills testing, and other activities needed to achieve and maintain child care credentialing and accreditation. Entities recognized by 2 or more states as providing accepted child care credentialing or accreditation services will be active participants in decisions governing the use of the child care ''training network.'' Time lines for the creation and implementation of the infrastructure and caps on administrative costs are included in the bill provide both financial and programmatic accountability.

Through the child care training infrastructure, a no interest revolving loan fund is established to enable child care providers and child care support entities to purchase computers, satellite dishes, and other technological equipment which enable them to participate in the child care training provided on the national infrastructure. For the first five years of the legislation, at least ten-percent of the funds appropriated for the child care training infrastructure will be placed into the revolving loan fund. This part of CIDCARE, like similar federal loan programs, establishes that the funds be kept in a separate interest bearing account, establishes application procedures, terms and conditions for the approval of such loans, and procedures for handling loan defaults.

At the current time, child care centers located in federal facilities are not required to meet even basic safety and health requirements. They are not subject to state or local laws or regulations governing the operation of a child care center. The CIDCARE Act will require federal child care centers (those in buildings leased or owned by the federal government—legislative, executive, judicial branches) to meet all state and local licensing and other regulatory requirements related to the provision of child care, within six months of the passage of this legislation—or make substantial progress towards meeting those requirements. The appropriate Administrator of each branch of government shall issue regulations specifying center-based child care accreditation standards and require all child care facilities in federal buildings under their control achieve accreditation within 3 years of the passage of this legislation.

If the child care program located in a federal facility fails to be in compliance, or show substantial compliance with state and local licensing requirements within six months or with the identified accreditation standards within three years, the agency must cease providing child care in that child care center. On-site monitoring to ensure compliance with these regulations and standards must be performed by an outside entity. The legislation authorizes $900 thousand to the General Services Administration (GSA) to implement this provision.

CIDCARE will require that federal child care programs provided by the Corporation for National and Community Service, the Departments of Defense, Education, Housing and Urban Affairs, Justice, and Labor, will ensure, to the maximum extent possible, that by October 1, 2001, any child care made available through programs funded or operated by those Departments and the Corporation, be provided by an accredited child care facility or a credentialed child care professional. The federal government needs to demonstrate a commitment to quality child care, by raising the standards it applies to its own programs.

The CIDCARE Act will expand the Community Development Block Grant to include the renovation or upgrading of child care facilities to meet accreditation standards as an allowable use of the grant funds. It also will extend existing Perkins and Stafford Loan forgiveness programs to include persons who work as credentialed professionals in a child care setting. Just as these loan forgiveness programs helped encourage more people to become teachers, I hope that this extension of these two educational loan programs to child care providers will result in more and better qualified child care providers. To be eligible for loan forgiveness, the person must be employed full time providing child care services and have a degree in early childhood education or development or receive professional child care credentials.

The need for high-quality child care is compelling. Having affordable, convenient child care is tied directly to a family's ability to produce income. Good child care can be an effective way to support the healthy development of children, particularly in the acquisition of social and language skills. For the millions of children who spend much of their preschool lives and many of their nonschool hours being cared for by someone other than their parents, child care provides the foundation upon which all future education will be built—and determines to a large extent whether that foundation will be strong or weak.

As we all know, quality child care costs money. It costs money to parents who bear the biggest burden for the cost of child care. It costs businesses both through the direct assistance that they provide to employees to help with the costs of child care, and through their ability to hire and retain a skilled work force. It costs Government through existing tax provisions, direct spending, and discretionary spending targeted at child care. But the costs of not making this investment are even higher. Those costs can be measured in the expense of remedial education, the expansion of an unskilled labor force, the increase in prison populations, and most importantly, the blunted potential of millions of children.

I urge my colleagues to join Senator DODD, Senator ROBERTS and me in support of the CIDCARE bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1037

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Creating Improved Delivery of Child

Care: Affordable, Reliable, and Educational Act'' or as the ''CIDCARE Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definitions.

TITLE I—DEMAND FOR QUALITY CHILD CARE

Sec. 101. Expansion of dependent care tax credit.
Sec. 102. Expansion of dependent care assistance program.
Sec. 103. Inclusion of child care costs in child support orders.

TITLE II—SUPPLY OF QUALITY CHILD CARE

Subtitle A—Tax Benefits for Quality Child Care

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SEC. 2. DEFINITIONS.

In this Act:

(1) ACCREDITED CHILD CARE CENTER.—The term ''accredited child care center'' means—

(A) a center that is accredited, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through a center described in subparagraph (B));

(B) a center that is accredited, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization;

(C) a center that is used as a Head Start center under the Head Start Act (42 U.S.C. 9831 et seq.) and is in compliance with any applicable performance standards established by regulation under such Act for Head Start programs; or

(D) a military child development center (as defined in section 1798(1) of title 10, United States Code).

(2) CHILD CARE CREDENTIALING OR ACCREDITATION ENTITY.—The term ''child care credentialing or accreditation entity'' means a nonprofit private organization or public agency that—

(A) is recognized by a State agency or tribal organization; and

(B) accredits a center or credentials an individual to provide child care on the basis of—

(i) an accreditation or credentialing instrument based on peer-validated research;

(ii) compliance with applicable State and local licensing requirements, or standards described in section 658E(c)(2)(E)(ii) of the Child Care and Development Block Grant Act (42 U.S.C. 9858c(c)(2)(E)(ii)), as appropriate, for the center or individual;

(iii) outside monitoring of the center or individual; and

(iv) criteria that provide assurances of—

(I) compliance with age-appropriate health and safety standards at the center or by the individual;

(II) use of age-appropriate developmental and educational activities, as an integral part of the child care program carried out at the center or by the individual; and

(III) use of ongoing staff development or training activities for the staff of the center or the individual, including related skills-based testing.

(3) CREDENTIALED CHILD CARE PROFESSIONAL.—The term ''credentialed child care professional'' means—

(A) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through an individual described in subparagraph (B)); or

(B) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization.

(4) STATE; TRIBAL ORGANIZATION.—The terms ''State'' and ''tribal organization'' have the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).

TITLE I—DEMAND FOR QUALITY CHILD CARE

SEC. 101. EXPANSION OF DEPENDENT CARE TAX CREDIT.

(a) PERCENTAGE OF EMPLOYMENT-RELATED EXPENSES DETERMINED BY STATUS OF CARE GIVER.—Section 21(a)(2) of the Internal Revenue Code of 1986 (defining applicable percentage) is amended to read as follows:

''(2) APPLICABLE PERCENTAGE DEFINED.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable percentage' means—

''(i) in the case of employment-related expenses described in subsection (b)(2)(A)(ii) incurred for the care of a qualifying individual described in subsection (b)(1)(A) by an accredited child care center or a credentialed child care professional, the initial percentage reduced (but not below 12.5 percent) ratably for each $2,500 (or fraction thereof) by which the taxpayers's adjusted gross income for the taxable year exceeds $20,000, and

''(ii) in any other case, 30 percent reduced (but not below 10 percent) ratably for each $2,500 (or fraction thereof) by which the taxpayers's adjusted gross income for the taxable year exceeds $20,000 but does not exceed $70,000.

''(B) INITIAL PERCENTAGE FOR EXPENSES INCURRED FOR ACCREDITED OR CREDENTIALED PROVIDERS.—For purposes of subparagraph (A)(i), the initial percentage shall be determined in accordance with the following table:

''In the case of any taxable year beginning in—	The initial percentage is—
1998	31.5
1999	33
2000	34.5
2001	36
2002 and thereafter	37.5.''

(b) DEFINITIONS.—Section 21(b)(2) of the Internal Revenue Code of 1986 (relating to definitions of qualifying individual and employment-related expenses) is amended by adding at the end the following:

''(E) ACCREDITED CHILD CARE CENTER.—The term 'accredited child care center' means—

''(i) a center that is accredited, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through a center described in clause (ii));

''(ii) a center that is accredited, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization;

''(iii) a center that is used as a Head Start center under the Head Start Act (42 U.S.C. 9831 et seq.) and is in compliance with any applicable performance standards established by regulation under such Act for Head Start programs; or

''(iv) a military child development center (as defined in section 1798(1) of title 10, United States Code).

''(F) CHILD CARE CREDENTIALING OR ACCREDITATION ENTITY.—The term 'child care credentialing or accreditation entity' means a nonprofit private organization or public agency that—

''(i) is recognized by a State agency or tribal organization; and

''(ii) accredits a center or credentials an individual to provide child care on the basis of—

''(I) an accreditation or credentialing instrument based on peer-validated research;

''(II) compliance with applicable State and local licensing requirements, or standards described in section 658E(c)(2)(E)(ii) of the Child Care and Development Block Grant Act (42 U.S.C. 9858c(c)(2)(E)(ii)), as appropriate, for the center or individual;

''(III) outside monitoring of the center or individual; and

''(IV) criteria that provide assurances of—

''(aa) compliance with age-appropriate health and safety standards at the center or by the individual;

''(bb) use of age-appropriate developmental and educational activities, as an integral part of the child care program carried out at the center or by the individual; and

''(cc) use of ongoing staff development or training activities for the staff of the center or the individual, including related skills-based testing.

''(G) CREDENTIALED CHILD CARE PROFESSIONAL.—The term 'credentialed child care professional' means—

''(i) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a State, to provide child care to children in the State (except children who a tribal organization elects to serve through an individual described in clause (i)); or

''(ii) an individual who is credentialed, by a child care credentialing or accreditation entity recognized by a tribal organization, to provide child care for children served by the tribal organization.

''(H) TRIBAL ORGANIZATION.—The term 'tribal organization' has the meaning given the term in section 658P of the Child Care and Development Block Grant Act (42 U.S.C. 9858n).''

(c) CREDIT MADE REFUNDABLE FOR LOW INCOME TAXPAYERS.—

(1) IN GENERAL.—Section 21 of the Internal Revenue Code of 1986 (relating to credit for household and dependent care services) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following:

''(f) CREDIT MADE REFUNDABLE FOR LOW INCOME TAXPAYERS.—

''(1) IN GENERAL.—For purposes of this subtitle, in the case of an applicable taxpayer individual, the credit allowable under subsection (a) for any taxable year shall be treated as a credit allowable under subpart C of this part.

''(2) APPLICABLE TAXPAYER.—For purposes of this subsection, the term 'applicable taxpayer' means a taxpayer with respect to whom the credit under section 32 is allowable for the taxable year.

''(3) COORDINATION WITH ADVANCE PAYMENTS AND MINIMUM TAX.—Rules similar to the rules of subsections (g) and (h) of section 32 shall apply with respect to the portion of any credit to which this subsection applies.''.

(2) ADVANCE PAYMENT OF CREDIT.—

(A) IN GENERAL.—Chapter 25 of such Code (relating to general provisions relating to employment taxes) is amended by inserting after section 3507 the following:

''SEC. 3507A. ADVANCE PAYMENT OF DEPENDENT CARE CREDIT.

''(a) GENERAL RULE.—Except as otherwise provided in this section, every employer making payment of wages with respect to whom a dependent care eligibility certificate is in effect shall, at the time of paying such wages, make an additional payment equal to such employee's dependent care advance amount.

''(b) DEPENDENT CARE ELIGIBILITY CERTIFICATE.—For purposes of this title, a dependent care eligibility certificate is a statement furnished by an employee to the employer which—

''(1) certifies that the employee will be eligible to receive the credit provided by section 21 for the taxable year,

''(2) certifies that the employee reasonably expects to be an applicable taxpayer for the taxable year,

''(3) certifies that the employee does not have a dependent care eligibility certificate in effect for the calendar year with respect to the payment of wages by another employer,

''(4) states whether or not the employee's spouse has a dependent care eligibility certificate in effect,

''(5) states the number of qualifying individuals in the household maintained by the employee,

''(6) states whether a qualifying individual will be cared for by an accredited child care center or a credentialed child care professional, and

''(7) estimates the amount of employment-related expenses for the calendar year.

''(c) DEPENDENT CARE ADVANCE AMOUNT.—

''(1) IN GENERAL.—For purposes of this title, the term 'dependent care advance amount' means, with respect to any payroll period, the amount determined—

''(A) on the basis of the employee's wages from the employer for such period,

''(B) on the basis of the employee's estimated employment-related expenses included in the dependent care eligibility certificate, and

''(C) in accordance with tables provided by the Secretary.

''(2) ADVANCE AMOUNT TABLES.—The tables referred to in paragraph (1)(C) shall be similar in form to the tables prescribed under section 3402 and, to the maximum extent feasible, shall be coordinated with such tables and the tables prescribed under section 3507(c).

''(d) OTHER RULES.—For purposes of this section, rules similar to the rules of subsections (d) and (e) of section 3507 shall apply.

''(e) DEFINITIONS.—For purposes of this section, terms used in this section which are defined in section 21 shall have the respective meanings given such terms by section 21.''.

(B) CONFORMING AMENDMENT.—The table of sections for chapter 25 of such Code is amended by adding after the item relating to section 3507 the following:

''Sec. 3507A. Advance payment of dependent care credit.''.

(d) EFFECTIVE DATES.—

(1) APPLICABLE PERCENTAGE.—The amendments made by subsection (a) and (b) shall apply to taxable years beginning after December 31, 1997.

(2) CREDIT MADE REFUNDABLE.—The amendments made by subsection (c) shall apply to taxable years beginning after December 31, 2000.

SEC. 102. EXPANSION OF DEPENDENT CARE ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 129(a)(2)(A) of the Internal Revenue Code of 1986 (relating to limitation of exclusion) is amended to read as follows:

''(A) DOLLAR LIMITATION.—

''(i) IN GENERAL.—The amount which may be excluded under paragraph (1) for dependent care assistance with respect to dependent care services provided during a taxable year shall not exceed—

''(I) in the case of dependent care services provided by an accredited child care center or a credentialed child care professional for a qualifying individual described in section 21(b)(1)(A), an amount determined in accordance with the following table:

''In the case of taxable years beginning in:	For 1 qualifying individual, the amount is:	For 2 or more qualifying individuals, the amount is:
1998	$5,200	$6,700
1999	$5,400	$6,900
2000	$5,600	$7,100
2001	$5,800	$7,300
2002 and thereafter	$6,000	$7,500,

''(II) in the case of other dependent care services for a qualifying individual described in section 21(b)(1)(A) or payments described in subsection (e)(1)(B), an amount determined in accordance with the following table:

''In the case of taxable years beginning in:	For 1 qualifying individual, the amount is:	For 2 or more qualifying individuals, the amount is:
1998	$4,800	$6,300
1999	$4,600	$6,100
2000	$4,400	$5,900
2001	$4,200	$5,700
2002 and thereafter	$4,000	$5,500,

and

''(III) in the case of other dependent care services for a qualifying individual described in subparagraph (B) or (C) of section 21(b)(1), $5,000.

''(ii) AMOUNTS FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—In the case of a separate return by a married individual, clause (i) shall be applied by using one-half of any amount specified in such clause.

''(iii) PROVIDERS.—For purposes of clause (i)(I), the terms 'accredited child care center' and 'credentialed child care professional' have the meaning given such terms by subparagraphs (E) and (G) of section 21(c)(2), respectively.

(b) PAYMENTS FOR STAY-AT-HOME CARE ALLOWED.—

(1) IN GENERAL.—Section 129(e)(1) of the Internal Revenue Code of 1986 (relating to definitions and special rules) is amended to read as follows:

''(1) DEPENDENT CARE ASSISTANCE.—The term 'dependent care assistance' means—

''(A) the payment of, or provision of, those services which if paid for by the employee would be considered employment-related expenses under section 21(b)(2) (relating to expenses for household and dependent care services necessary for gainful employment), and

''(B) any payment to the employee from amounts contributed to the employee's account during the pregnancy of the employee paid within 1 year after such contribution and during the period in which—

''(i) the employee,

''(ii) the employee's spouse, or

''(iii) a parent of the employee or the employee's spouse,

stays at home to care for a qualifying individual described in section 21(b)(1)(A).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 129(c) of such Code (relating to payments to related individuals) is amended by striking ''No amount'' and inserting ''Except in the case of payments described in subsection (e)(1)(B), no amount.''.

(B) Section 129(e)(9) of such Code (relating to identifying information required with respect to service provider) is amended by striking ''No amount'' and inserting ''Except in the case of payments described in paragraph (1)(B)(i), no amount.''.

(c) DEPENDENT CARE ASSISTANCE PROGRAM FOR FEDERAL EMPLOYEES.—Subpart G of part III of title 5, United States Code, is amended by inserting after chapter 87 the following:

''CHAPTER 88—DEPENDENT CARE ASSISTANCE PROGRAM

''§ 8801. Definitions

''(a) For the purpose of this chapter, 'employee' means—

''(1) an employee as defined by section 2105 of this title;

''(2) a Member of Congress as defined by section 2106 of this title;

''(3) a Congressional employee as defined by section 2107 of this title;

''(4) the President;

''(5) a justice or judge of the United States appointed to hold office during good behavior (i) who is in regular active judicial service, or (ii) who is retired from regular active service under section 371(b) or 372(a) of title 28, United States Code, or (iii) who has resigned the judicial office under section 371(a) of title 28 with the continued right during the remainder of his lifetime to receive the salary of the office at the time of his resignation;

''(6) an individual first employed by the government of the District of Columbia before October 1, 1987;

''(7) an individual employed by Gallaudet College;

''(8) an individual employed by a county committee established under section 590h(b) of title 16;

''(9) an individual appointed to a position on the office staff of a former President under section 1(b) of the Act of August 25, 1958 (72 Stat. 838); and

''(10) an individual appointed to a position on the office staff of a former President, or

a former Vice President under section 4 of the Presidential Transition Act of 1963, as amended (78 Stat. 153), who immediately before the date of such appointment was an employee as defined under any other paragraph of this subsection;

but does not include—

''(A) an employee of a corporation supervised by the Farm Credit Administration if private interests elect or appoint a member of the board of directors;

''(B) an individual who is not a citizen or national of the United States and whose permanent duty station is outside the United States, unless the individual was an employee for the purpose of this chapter on September 30, 1979, by reason of service in an Executive agency, the United States Postal Service, or the Smithsonian Institution in the area which was then known as the Canal Zone; or

''(C) an employee excluded by regulation of the Office of Personnel Management under section 8716(b) of this title.

''(b) For the purpose of this chapter, 'dependent care assistance program' has the meaning given such term by section 129(d) of the Internal Revenue Code of 1986.

''§ 8802. Dependent care assistance program

''The Office of Personnel Management shall establish and maintain a dependent care assistance program for the benefit of employees.''.

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

SEC. 103. INCLUSION OF CHILD CARE COSTS IN CHILD SUPPORT ORDERS.

(a) IN GENERAL.—Section 466(a) of the Social Security Act (42 U.S.C. 666(a)) is amended by inserting after paragraph (19) the following:

''(20) CHILD CARE COSTS.—

''(A) IN GENERAL.—Procedures under which all child support orders enforced under this part shall include in the case of a custodial parent who is employed or is actively seeking employment an amount equal to or more than the applicable payment rate for the type of child care services provided to that parent's child or children that is established in accordance with section 658E(c)(4) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(4)), increased by 50 percent of such rate if such services are provided by an accredited child care center or a credentialed child care professional.

''(B) DEFINITIONS.—In this paragraph, the terms 'accredited child care center' and 'credentialed child care professional' have the meaning given those terms in section 2 of the CIDCARE Act.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to child support orders enforced or otherwise modified by a court on and after the date of enactment of this Act.

TITLE II—SUPPLY OF QUALITY CHILD CARE

Subtitle A—Tax Benefits for Quality Child Care

SEC. 201. ALLOWANCE OF CREDIT FOR EMPLOYER EXPENSES FOR CHILD CARE ASSISTANCE.

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

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

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

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

''(c) DEFINITIONS.—For purposes of this section—

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

''(A) to acquire, construct, rehabilitate, or expand property—

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

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

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

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

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

''(D) under a contract to provide child care resource and referral services to employees of the taxpayer, or

''(E) for the costs of seeking accreditation from a child care credentialing or accreditation entity (as defined in section 21(b)(2)(F) with respect to a qualified child care facility.

''(2) QUALIFIED CHILD CARE FACILITY.—

''(A) IN GENERAL.—The term 'qualified child care facility' means a facility—

''(i) the principal use of which is to provide child care assistance, and

''(ii) which meets the requirements of all applicable laws and regulations of the State or local government in which it is located, including, but not limited to, the licensing of the facility as a child care facility.

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

''(B) SPECIAL RULES WITH RESPECT TO A TAXPAYER.—A facility shall not be treated as a qualified child care facility with respect to a taxpayer unless—

''(i) enrollment in the facility is open to employees of the taxpayer during the taxable year,

''(ii) the facility is not the principal trade or business of the taxpayer unless at least 30 percent of the enrollees of such facility are dependents of employees of the taxpayer, and

''(iii) the use of such facility (or the eligibility to use such facility) does not discriminate in favor of employees of the taxpayer who are highly compensated employees (within the meaning of section 414(q)).

''(d) RECAPTURE OF ACQUISITION AND CONSTRUCTION CREDIT.—

''(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility of the taxpayer, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

''(A) the applicable recapture percentage, and

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

''(2) APPLICABLE RECAPTURE PERCENTAGE.—

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

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

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

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

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

''(B) CHANGE IN OWNERSHIP.—

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

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

''(4) SPECIAL RULES.—

''(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

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

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

''(e) SPECIAL RULES.—For purposes of this section—

''(1) AGGREGATION RULES.—All persons which are treated as a single employer under subsections (a) and (b) of section 52 shall be treated as a single taxpayer.

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

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

''(f) NO DOUBLE BENEFIT.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle—

''(A) IN GENERAL.—If a credit is determined under this section with respect to any property by reason of expenditures described in subsection (c)(1)(A), the basis of such property shall be reduced by the amount of the credit so determined.

''(B) CERTAIN DISPOSITIONS.—If during any taxable year there is a recapture amount determined with respect to any property the basis of which was reduced under subparagraph (A), the basis of such property (immediately before the event resulting in such recapture) shall be increased by an amount equal to such recapture amount. For purposes of the preceding sentence, the term 'recapture amount' means any increase in tax (or adjustment in carrybacks or carryovers) determined under subsection (d).

''(2) OTHER DEDUCTIONS AND CREDITS.—No deduction or credit shall be allowed under any other provision of this chapter with respect to the amount of the credit determined under this section.

''(g) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 1999.''

(b) CONFORMING AMENDMENTS.—

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

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

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

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

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

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

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

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

SEC. 202. CHARITABLE CONTRIBUTIONS OF SCIENTIFIC EQUIPMENT TO ACCREDITED AND CREDENTIALED CHILD CARE PROVIDERS AND TO ELEMENTARY AND SECONDARY SCHOOLS.

(a) IN GENERAL.—Subparagraph (B) of section 170(e)(4) of the Internal Revenue Code of 1986 (relating to special rule for contributions of scientific property used for research) is amended to read as follows:

''(B) QUALIFIED RESEARCH, CHILD CARE, OR EDUCATION CONTRIBUTION.—For purposes of this paragraph, the term 'qualified research, child care, or education contribution' means a charitable contribution by a corporation of tangible personal property (including computer software), but only if—

''(i) the contribution is to—

''(I) an organization described in section 501(c)(3) and exempt from taxation under section 501(a) which is an accredited child care center (as defined in section 21(c)(2)(E)) or a child care center actively seeking accreditation or certification of its employees by a child care credentialing or accreditation entity (as defined in section 21(c)(2)(F)) on the date of such contribution,

''(II) an organization described in section 501(c)(3) and exempt from taxation under section 501(a) which is a professional or educational support entity for accredited child care centers or credentialed child care professionals (as defined in subparagraphs (E) and (G) of section 21(c)(2), respectively),

''(III) an educational organization described in subsection (b)(1)(A)(ii),

''(IV) a governmental unit described in subsection (c)(1), or

''(V) an organization described in section 41(e)(6)(B),

''(ii) the contribution is made not later than 3 years after the date the taxpayer acquired the property (or in the case of property constructed by the taxpayer, the date the construction of the property is substantially completed),

''(iii) the property is scientific equipment or apparatus substantially all of the use of which by the donee is for—

''(I) research or experimentation (within the meaning of section 174), or for research training, in the United States in physical or biological sciences, or

''(II) in the case of an organization described in subclause (I), (II), (III), or (IV) of clause (i), use within the United States for educational purposes or support activities related to the purpose or function of the organization,

''(iv) the original use of the property began with the taxpayer (or in the case of property constructed by the taxpayer, with the donee),

''(v) the property is not transferred by the donee in exchange for money, other property, or services, and

''(vi) the taxpayer receives from the donee a written statement representing that its use and disposition of the property will be in accordance with the provisions of clauses (iv) and (v).''.

(b) DONATIONS TO CHARITY FOR REFURBISHING.—Section 170(e)(4) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

''(D) DONATIONS TO CHARITY FOR REFURBISHING.—For purposes of this paragraph, a charitable contribution by a corporation shall be treated as a qualified research, child care, or education contribution if—

''(i) such contribution is a contribution of property described in subparagraph (B)(iii) to an organization described in section 501(c)(3) and exempt from taxation under section 501(a),

''(ii) such organization repairs and refurbishes the property and donates the property to an organization described in subparagraph (B)(i), and

''(iii) the taxpayer receives from the organization to whom the taxpayer contributed the property a written statement representing that its use of the property (and any use by the organization to which it donates the property) meets the requirements of this paragraph.''.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (4)(A) of section 170(e) of the Internal Revenue Code of 1986 is amended by striking ''qualified research contribution'' each place it appears and inserting ''qualified research, child care, or education contribution''.

(2) The heading for section 170(e)(4) of such Code is amended by inserting '', CHILD CARE, OR EDUCATION'' after ''RESEARCH''.

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

SEC. 203. 2-PERCENT FLOOR ON MISCELLANEOUS ITEMIZED DEDUCTIONS NOT APPLICABLE TO ACCREDITATION AND CREDENTIALING EXPENSES OF CHILD CARE PROVIDERS.

(a) IN GENERAL.—Section 67(b) of the Internal Revenue Code of 1986 (relating to miscellaneous itemized deductions) is amended by striking ''and'' at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting '', and'', and by adding at the end the following:

''(13) the deduction allowable for accreditation and credentialing expenses of child care providers.''.

(b) DEFINITION.—Section 67 of the Internal Revenue Code of 1986 (relating to 2-percent floor on miscellaneous itemized deductions) is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following:

''(e) ACCREDITATION AND CREDENTIALING EXPENSES OF CHILD CARE PROVIDERS.—For purposes of this section—

''(1) IN GENERAL.—The term 'accreditation and credentialing expenses of child care providers' means direct professional costs and educational and training expenses paid or incurred by an eligible individual in order to achieve and remain qualified for service as an employee of an accredited child care center or as a credentialed child care professional (as defined in subparagraphs (E) and (G) of section 21(c)(2), respectively).

''(2) ELIGIBLE INDIVIDUAL.—The term 'eligible individual' means an individual 60 percent of the taxable income of whom for any taxable year is derived from service described in paragraph (1).''.

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

SEC. 204. 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 shall apply to taxable years beginning after December 31, 1997.

Subtitle B—Child Care Quality Improvement Incentive Program

SEC. 211. DEFINITIONS.

In this subtitle:

(1) CHILD CARE PROVIDER.—The term ''child care provider'' means—

(A) a center-based child care provider, a group home child care provider, a family child care provider, or other provider of nonresidential child care services for compensation that—

(i) is licensed, regulated, registered, or otherwise legally operating under State law; and

(ii) satisfies the State and local requirements;

applicable to the child care services it provides; or

(B) a child care provider that is 18 years of age or older who provides child care services only to eligible children who are, by affinity or consanguinity, or by court decree, the grandchild, great grandchild, sibling (if such provider lives in a separate residence), niece, or nephew of such provider, if such provider does not reside with the child for whom they are providing care and if the provider complies with any applicable requirements that govern child care provided by the relative involved.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

SEC. 212. ESTABLISHMENT OF STATE PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a program to award competitive grants to eligible States to enable such States to carry out activities to improve the quality of child care for children in the States (except children who a tribal organization elects to serve under section 215(b)).

(b) AWARDING OF GRANTS.—

(1) DISTRIBUTION.—Amounts appropriated for a fiscal year under section 215(a) shall be distributed through competitive grants awarded to eligible States that apply for funds and that propose activities that meet the requirements of this subtitle.

(2) AMOUNT.—The amount of a grant awarded to a State under this section shall be determined by the Secretary on a competitive basis, except that the amount of any such grant for a fiscal year shall not be less than

an amount equal to .75 percent of the total amount appropriated for the fiscal year under section 215(a).

(c) LIMITATION ON ADMINISTRATIVE COSTS.—The Secretary shall not use in excess of 10 percent of the amount appropriated under section 215(a) for a fiscal year for the administrative costs associated with the administration of the program under this section.

SEC. 213. STATE ELIGIBILITY AND APPLICATION REQUIREMENTS.

(a) ELIGIBILITY.—To be eligible to receive a grant under this subtitle, a State shall certify to the Secretary that the State—

(1) has not reduced the scope of any State child care standards or requirements that were in effect in calendar year 1995;

(2) has not limited the State licensing requirements with respect to the types of providers that must obtain licenses in order to provide child care in the State as compared to the types of providers that were required to obtain licenses in calendar year 1995;

(3) has not otherwise restricted the application of State child care licensing requirements that were in effect in calendar year 1995;

(4) is in compliance with the requirements applicable to the State under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 et seq.); and

(5) has, with respect to the fiscal year involved, made available sufficient State matching funds to draw down at least 80 percent of the amount awarded to the State for the preceding fiscal year under a grant under section 418(a)(2) of the Social Security Act (42 U.S.C. 618).

(b) PRIORITY.—In awarding grants under this subtitle, the Secretary shall give priority to States that contribute an amount (generated from businesses or other private sources) equal to not less than 10 percent of the amount requested under the grant to the activities to be funded under the grant.

(c) APPLICATION.—To be eligible to receive a grant under this subtitle, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require, including—

(1) an assurance that the State will comply with the requirements applicable to States under this subtitle;

(2) an assurance that the State will annually conduct on-site monitoring of State licensed or regulated child care facilities, with at least 1 unannounced monitoring visit of each such facility every 3 years; and

(3) an assurance that the State will not use funds received under the grant to supplant or replace funds used by the State to improve the quality or increase the supply of child care as required under section 658G of the Child Care and Development Block Grants Act of 1990 (42 U.S.C. 9858e).

SEC. 214. USE OF FUNDS BY STATES.

(a) REQUIRED ACTIVITIES.—A State shall—

(1) use not less than 20 percent of the amounts received under a grant awarded to the State under this subtitle to establish a subsidy program to provide funds to child care providers who are credentialed in the State (as described in section 2(3));

(2) use not less than 20 percent of the amounts received under a grant awarded to the State under this subtitle to establish a grant program to assist small businesses located in the State in establishing and operating child care programs that 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 program;

(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; and

(3) use amounts remaining after the State reserves funds for activities under paragraphs (1) and (2) to carry out one or more of the activities described in subsection (b).

(b) PERMISSIBLE ACTIVITIES.—A State may use amounts provided under a grant awarded under this subtitle to the State to—

(1) improve parental choice through consumer education efforts in the State concerning child care, including the expansion of resource and referral services and improving State child care complaint systems;

(2) establish a scholarship program for child care providers to assist in meeting the educational or training costs associated with the accreditation or credentialing;

(3) expand State-based child care training and technical assistance activities;

(4) develop criteria for State recognition of entities to accredit facilities, and credential child care providers, in the State, as described in section 2;

(5) provide increased rates of reimbursement under Federal or State child care assistance programs for child care that is provided by credentialed child care professionals or at accredited child care centers;

(6) provide differential rates of reimbursement under Federal or State child care assistance programs for children with special needs; or

(7) purchase special equipment or supplies or other provide for the payment of other extraordinary expenses required for the care of special needs (including disabled) children and the distribution of such equipment or supplies to child care providers serving special needs children.

(c) SMALL BUSINESS AND CHILD CARE GRANT PROGRAM.—

(1) APPLICATION.—To be eligible to receive assistance from a State under a grant program established under subsection (a)(2), 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.

(2) PREFERENCE.—

(A) IN GENERAL.—In providing assistance under a grant program under this subsection, 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.

(3) LIMITATION.—With respect to grant funds received for purposes of this subsection, 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.

(4) MATCHING REQUIREMENT.—To be eligible to receive funds for purposes of establishing a grant program under subsection (a)(2), 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 such program, 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—

(A) 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);

(B) 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

(C) 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).

(5) REQUIREMENTS OF PROVIDERS.—To be eligible to receive assistance under a grant awarded under this subsection 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.

(6) ADMINISTRATION.—

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

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

(C) MISUSE OF FUNDS.—

(i) REPAYMENT.—If the State determines, through an audit or otherwise, that an entity receiving assistance under a grant awarded under this subsection 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.

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

(d) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 10 percent of the aggregate amount of funds available to a State under this subtitle in each fiscal year may be expended for administrative costs incurred by such State to carry out activities under this subtitle. As used in the preceding sentence, the term ''administrative costs'' shall not include the costs of providing direct services (as such direct services costs are defined for purposes of the Child Care and Development Block Grant Act of 1990 42 U.S.C. 9801 et seq.)).

SEC. 215. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to carry out this subtitle $260,000,000 for each of the fiscal years 1998 through 2002.

(b) RESERVATION.—The Secretary shall reserve not more than 1.5 percent of the funds appropriated under this section for a fiscal year to make grants under this subtitle to tribal organizations submitting applications under section 213(b) to be used in accordance with section 214.

Subtitle C—Distribution of Information About Quality Child Care

SEC. 221. EXPANSION OF ROLE OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES IN THE COLLECTION AND DISSEMINATION OF INFORMATION AND TECHNOLOGY.

(a) PROVISION OF INFORMATION.—The Secretary of Health and Human Services, directly or through a contract awarded on a competitive basis to a qualified entity, shall provide technical assistance and collect and disseminate information concerning the importance of high quality child care to States,

units of local government, private non-profit child care organizations, child care credentialing or accreditation entities, child care providers, and parents, including, in partnership with the Advertising Council or other professional advertising group, a public awareness campaign promoting quality child care.

(b) GRANT PROGRAM.—

(1) IN GENERAL.—The Secretary of Health and Human Services, acting through the National Child Care Information Center, shall award competitive grants to child care credentialing or accreditation entities (as defined in section 2(2)) that have been providing credentialing or accreditation services for child care providers for not more than 10 years.

(2) APPLICATION.—To be eligible to receive a grant under this subsection, a child care credentialing or accreditation entity shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall require.

(3) USE OF FUNDS.—Amounts provided under a grant awarded under paragraph (1) shall be used by grantees to refine and evaluate the procedures and methods used by such grantees in accrediting facilities as accredited child care centers or providing child care credentials to individual child care providers. Such procedures and methods shall be designed to ensure that the highest quality child care is provided by accredited child care centers and credentialed individuals, to provide information about the accreditation or credentialing process to providers, and to provide subsidies to needy individuals and organizations to enable such individuals and organization to participate in the accreditation or credentialing process.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of the fiscal years 1998 through 2002.

SEC. 222. CHILD CARE TRAINING INFRASTRUCTURE.

(a) DEFINITIONS.—In this section:

(1) CHILD CARE PROVIDER.—The term ''child care provider'' has the meaning given the term in section 211.

(2) ELEMENTARY SCHOOL; SECONDARY SCHOOL.—The terms ''elementary school'' and ''secondary school'' have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001).

(3) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(5) TRAINING SITE.—The term ''training site'' means a training site described in subsection (e)(1).

(b) GRANT.—The Secretary shall make a grant to an eligible organization to develop and operate a technology-based child care training infrastructure, in order to facilitate—

(1) the accreditation of facilities as accredited child care centers and accredited family child care homes;

(2) the credentialing of individuals as credentialed child care professionals; and

(3) the dissemination of child care, child development, and early childhood education information and research to child care providers.

(c) USE OF FUNDS.—An organization that receives a grant under subsection (b) shall use the funds made available through the grant to—

(1) develop partnerships, to the maximum extent possible, with elementary schools, secondary schools, institutions of higher education, Federal, State, and local government agencies, and private entities, to share equipment, technical assistance, and other technological resources, for the development of the infrastructure described in subsection (b);

(2) enter into arrangements with entities for the provision of sites from which the infrastructure will disseminate training;

(3) ensure the establishment of at least 2 of the training sites in each State, and additional training sites based on the populations and geographic considerations of States;

(4) enter into arrangements with child care credentialing or accreditation entities that are recognized (as described in section 2(2)) by more than 1 State agency or tribal organization, for the development of child care training to be disseminated through the infrastructure;

(5) provide, directly or through a contract (which may for good cause be a sole source contract), expertise to convert training courses for distance transmission, provide interactive environments, and conduct registration, testing, electronic storage of information, and such other technology-based activities to adapt and enhance training course content consistent with the medium of transmission involved through the infrastructure;

(6) provide, through a logistical scheduling mechanism, equitable access to the infrastructure for all child care credentialing or accreditation entities described in paragraph (4) that request an opportunity to disseminate child care training through the infrastructure and meet the requirements of this section;

(7) develop and implement a mechanism for participants in the training to evaluate the infrastructure, including providing comments on the accessibility and affordability of the training, and recommendations for improvements in the training;

(8) develop and implement a monitoring system to provide data on the training provided through the infrastructure, including data on—

(A) the number of facilities and individuals participating in the training;

(B) the number of facilities receiving accreditation (including a repeat accreditation) as accredited child care centers, and individuals receiving credentialing (including a repeat credentialing) as credentialed child care professionals, after fulfilling requirements that include participation in the training;

(C) the number of accredited child care centers, and credentialed child care professionals, participating in the training; and

(D) the number of sites in which the training is received, analyzed—

(i) by State; and

(ii) by location in an urban, suburban, or rural area; and

(9) establish and operate the child care training revolving fund described in section 223.

(d) ELIGIBILITY.—To be eligible to receive the grant, an organization shall be an organization that—

(1) is a private, nonprofit entity that is not—

(A) a child care credentialing or accreditation entity;

(B) a subsidiary or affiliate of a child care credentialing or accreditation entity; or

(C) an entity that has a subsidiary or affiliate that is a child care credentialing or accreditation entity;

(2) has experience in developing partnerships with child care credentialing or accreditation entities, institutions of higher education, and State and local governments, for the provision of child care training;

(3) has experience in providing and coordinating the provision of child care training to family child care providers and center-based child care providers;

(4) is related to child care provider support organizations in 35 or more States, through membership in a common organization, affiliation, or another mechanism;

(5) has experience in working with rural and urban child care provider support organizations and child care providers; and

(6) has experience in working with national child care groups and organizations, including Federal government agencies, providers of child care training, child care credentialing or accreditation entities, and educational groups.

(e) APPLICATION.—To be eligible to receive a grant under subsection (b), an organization shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including—

(1) information describing, and indicating a preliminary count of the number of, the sites from which the infrastructure will disseminate training;

(2) an assurance that the organization will require that—

(A) each child care credentialing or accreditation entity that disseminates training through the infrastructure will provide, during at least 60 percent of the dissemination period, an opportunity for participants in the training—

(i) to interact with an identified trainer or training leader at the training site; or

(ii) to elect to engage in other interactive training; and

(B) no child care credentialing or accreditation entity may collect fees for participation in the training that total more than—

(i) the cost to the entity for developing, conducting, and providing materials for, the training; minus

(ii) the amount that the entity receives under this section or from any other source to develop, conduct, and provide materials for, the training; and

(3) information demonstrating that the organization will comply with the organizational structure requirements of subsections (g) and (h), including a copy of the bylaws described in subsection (g)(2)(B).

(f) DEVELOPMENT AND OPERATION OF INFRASTRUCTURE.—

(1) CONTRACTS.—An organization that receives a grant under subsection (b) may use funds made available through the grant to enter into contracts, which may for good cause be sole source contracts, for the development of the technological and logistical aspects of the infrastructure. The organization shall enter into such a contract with an entity with experience in establishing technology-based interactive educational or training programs.

(2) TIME LINES.—

(A) BOARD, PERSONNEL, AND REVOLVING FUND.—Not later than 6 months after the date of receipt of the grant, the organization shall establish the governing board described in subsection (g), appoint a Chief Executive Project Officer described in subsection (h), and establish and operate the child care training revolving fund described in section 223. Not later than 1 year after the date of receipt of the grant, the Chief Executive Project Officer shall appoint the personnel described in subsection (h).

(B) TRAINING SITES.—

(i) 50 PERCENT OPERATIONAL.—Not later than 3 years after the date of receipt of the grant, the organization shall disseminate training at 50 percent of the sites described

in the information submitted under subsection (e)(1).

(ii) 75 PERCENT OPERATIONAL.—Not later than 4 years after the date of receipt of the grant, the organization shall disseminate training at 75 percent of the sites.

(iii) 90 PERCENT OPERATIONAL.—Not later than 5 years after the date of receipt of the grant, the organization shall disseminate training at 90 percent of the sites.

(C) EVALUATION.—The organization shall develop and implement the mechanism for conducting evaluations of the infrastructure described in subsection (c)(6) not later than 3 years after the date of receipt of the grant.

(g) GOVERNING BOARD.—

(1) IN GENERAL.—An organization that receives a grant under subsection (b) shall establish a governing board.

(2) COMPOSITION.—

(A) IN GENERAL.—The governing board shall be composed of representatives of child care credentialing or accreditation entities that are recognized (as described in section 2(2)) by more than 1 State agency or tribal organization. The representatives shall be appointed by the entities. The composition of the governing board shall be specified in the bylaws of the board.

(B) INITIAL BYLAWS.—The organization shall develop the initial bylaws of the board. The bylaws shall include provisions specifying the manner in which representatives of all child care credentialing or accreditation entities described in subparagraph (A) that are disseminating training through the infrastructure shall participate in the activities of the governing board. The provisions shall provide for the participation through rotation of the representatives in the membership of the board, involvement of the representatives in committees of the board, or through other mechanisms that ensure, to the maximum extent possible, fair and equal participation of the representatives.

(C) AMENDED BYLAWS.—The governing board may amend the bylaws with the consent of the chief executive officer of the organization receiving a grant under subsection (b). The chief executive officer shall give the consent unless the chief executive officer demonstrates good cause for refusal of the consent. Any amended bylaws shall provide for the participation of representatives of all child care credentialing or accreditation entities described in subparagraph (A) that are disseminating training through the infrastructure, as described in subparagraph (B).

(3) DUTIES.—The governing board, with oversight by the chief executive officer of the organization, shall—

(A) advise the organization on the development and operation of the child care training infrastructure;

(B) review and approve the strategic plan described in subsection (h)(2)(A) and annual updates of the plan;

(C) review and approve the proposal described in subsection (h)(2)(B), with respect to the contracts, financial assistance, standards, policies, procedures, and activities referred to in such subsection; and

(D)(i) review, and advise the Chief Executive Project Officer regarding, the actions of the Chief Executive Project Officer with respect to the personnel of the governing board, and with respect to such standards, policies, procedures, and activities as are necessary or appropriate to carry out this section; and

(ii) inform the Chief Executive Project Officer of any aspects of the actions of the Chief Executive Project Officer that are not in compliance with the annual strategic plan referred to in subparagraph (B) or the proposal referred to in subparagraph (C), or are not consistent with the objectives of this section.

(h) CHIEF EXECUTIVE PROJECT DIRECTOR AND PERSONNEL.—

(1) IN GENERAL.—

(A) CHIEF EXECUTIVE PROJECT DIRECTOR.—The chief executive officer of an organization that receives a grant under subsection (b) shall appoint, compensate, and terminate the employment of a Chief Executive Project Officer to enable the governing board to perform its duties. The chief executive officer of the organization shall consult with the governing board before appointing, changing the compensation of, or terminating the employment of, the Chief Executive Project Officer.

(B) PERSONNEL.—The Chief Executive Project Officer shall appoint, compensate, and terminate the employment of such additional personnel as may be necessary to enable the governing board to perform its duties.

(2) DUTIES OF CHIEF EXECUTIVE PROJECT OFFICER.—The Chief Executive Project Officer shall—

(A) prepare and submit to the governing board and the chief executive officer of the organization a strategic plan every 3 years, and annual updates of the plan, with respect to the development and major operations of the infrastructure;

(B)(i) prepare and submit to the governing board and the chief executive officer of the organization a proposal with respect to such contracts and other financial assistance, and such standards, policies, procedures, and activities, as are necessary or appropriate to carry out this section; and

(ii) after receiving and reviewing an approved proposal under subsection (g)(3)(C), enter into such contracts and award such other financial assistance, and establish and administer such standards, policies, procedures and activities, as are necessary or appropriate to carry out this section;

(C) prepare and submit to the governing board and the chief executive officer of the organization an annual report, and such interim reports as may be necessary, describing the major actions of the Chief Executive Project Officer with respect to the personnel of the governing board, and with respect to the standards, policies, procedures, and activities; and

(D) inform the governing board and the chief executive officer of the organization of, and provide an explanation to the governing board regarding, any substantial differences regarding the implementation of this section between—

(i) the actions of the Chief Executive Project Officer; and

(ii)(I) the strategic plan approved by the governing board and the chief executive officer of the organization under subsection (g)(3)(B); or

(II) the proposal approved by the governing board and the chief executive officer of the organization under subsection (g)(3)(C).

(i) CORPORATION.—The organization may establish a nonprofit corporation containing the governing board, Chief Executive Project Officer, and personnel, to carry out this section.

(j) ADMINISTRATIVE COSTS.—Prior to the date on which the organization disseminates training at 75 percent of the sites described in the information submitted under subsection (e)(1), the organization may use not more than 25 percent of the funds made available through the grant to pay for the administrative costs of carrying out this section. Effective on that date, the organization may use not more than 15 percent of the funds to pay for the administrative costs.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 1998 through 2003.

SEC. 223. CHILD CARE TRAINING REVOLVING FUND.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—The Chief Executive Project Officer described in section 222(h) shall use not less than 10 percent of the funds made available through the grant made under section 222 during the 5 years after the date of receipt of the grant to establish and operate a child care training revolving fund (referred to in this section as the ''Fund'')—

(A) from which the Chief Executive Project Officer shall make loans to eligible borrowers for the purpose of enabling the persons to purchase computers, satellite dishes, and other equipment that will be used to disseminate training through the infrastructure described in section 222; and

(B) into which all payments, charges, and other amounts collected from loans made under subparagraph (A) shall be deposited notwithstanding any other provision of law.

(2) SEPARATE ACCOUNT.—The Fund shall be maintained as a separate account. Any portion of the Fund that is not required for expenditure shall be invested in obligations of the United States or in obligations guaranteed or insured by the United States.

(3) INTEREST EARNED.—The interest earned on the investments shall be credited to and form a part of the Fund.

(b) ELIGIBLE BORROWERS.—To be eligible to receive a loan under subsection (a), a borrower shall be a child care provider who seeks to receive training through the infrastructure or an entity that has entered into an arrangement with the Chief Executive Project Officer to provide a training site (as defined in section 222) for the infrastructure.

(c) APPLICATION.—To be eligible to receive a loan under subsection (a), a borrower shall submit an application to the Chief Executive Project Officer at such time, in such manner, and containing such information as the Chief Executive Project Officer, in consultation with the governing board and the chief executive officer of an organization receiving a grant under section 222(b) may require. At a minimum, the application shall include—

(1) an assurance that the person shall use the equipment funded through the loan to receive or disseminate training through the infrastructure, for such period as the Secretary may by regulation prescribe; and

(2) an assurance that the person shall permit other persons to use the equipment to receive or disseminate training through the infrastructure, for such period as the Secretary may by regulation prescribe.

(d) LOANS.—In making loans under subsection (a), the Chief Executive Project Officer shall—

(1) to the maximum extent practicable, equitably distribute the loans among borrowers in the various States, and among borrowers in urban, suburban, and rural areas; and

(2) take into consideration the availability to the borrowers of resources from sources other than the Fund, including the availability of resources through the partnerships described in section 222(c)(1).

(e) TERMS AND CONDITIONS.—

(1) CONDITIONS.—The Chief Executive Project Officer may make a loan to a borrower under subsection (a) only if the Chief Executive Project Officer determines that—

(A) the borrower is unable to obtain resources from other sources on reasonable terms and conditions; and

(B) there is a reasonable prospect that the borrower will repay the loan.

(2) TERMS.—A loan made under subsection (a) shall be—

(A) for a term that does not exceed 4 years; and

(B) at no interest.

(3) COLLATERAL.—The Chief Executive Project Officer may require any borrower of a loan made under subsection (a) to provide such collateral as the Chief Executive Project Officer determines to be necessary to secure the loan.

(4) PROCEDURES AND DEFINITIONS.—Prior to making loans under subsection (a), the Chief Executive Project Officer shall establish written procedures and definitions pertaining to defaults and collections of payments under the loans which shall be subject to the review and approval of the Secretary. The governing board and chief executive officer of the organization involved shall provide to each applicant for a loan under subsection (a), at the time application for the loan is made, a written copy of the procedures and definitions.

(f) DEFAULTS.—

(1) NOTICE.—The Chief Executive Project Officer shall provide the governing board and the chief executive officer of the organization at regular intervals written notice of each loan made under subsection (a) that is in default and the status of the loan.

(2) ACTION.—

(A) NOTIFICATION.—After making reasonable efforts to collect all amounts payable under a loan made under subsection (a) that is in default, the Chief Executive Project Officer shall notify the governing board and the chief executive officer of the organization that the loan is uncollectable or collectible only at an unreasonable cost. The notification shall include recommendations for future action to be taken by the Chief Executive Project Director.

(B) INSTRUCTIONS.—On receiving the notification, the governing board and the chief executive officer of the organization shall advise the Chief Executive Project Officer—

(i) to continue with its collection activities;

(ii) to cancel, adjust, compromise, or reduce the amount of the loan; or

(iii) to modify any term or condition of the loan, including any term or condition relating to the time of payment of any installment of principal, or portion of principal, that is payable under the loan.

(g) ADMINISTRATION AND ASSISTANCE.—

(1) IN GENERAL.—Consistent with section 222(j), the Chief Executive Project Officer shall, out of funds available in the Fund—

(A) pay expenses incurred by the Chief Executive Project Officer in administering the Fund; and

(B) provide competent management and technical assistance to borrowers of loans made under subsection (a) to assist the borrowers to achieve the purposes of the loans.

(2) ASSISTANCE BY THE SECRETARY.—The Secretary shall provide to the chief executive officer of the organization and the Chief Executive Project Officer such management and technical assistance as the chief executive officer of the organization and the Chief Executive Project Officer may request in order to carry out the provisions of this section.

(h) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the objectives of this section, including regulations involving reporting and auditing.

Subtitle D—Quality Child Care Through Federal Facilities and Programs

SEC. 231. PROVIDING QUALITY CHILD CARE IN FEDERAL FACILITIES.

(a) DEFINITION.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of General Services.

(2) EXECUTIVE AGENCY.—The term ''Executive agency'' has the meaning given the term in section 105 of title 5, United States Code, but does not include the Department of Defense.

(3) EXECUTIVE FACILITY.—The term ''executive facility'' means a facility that is owned or leased by an Executive agency.

(4) FEDERAL AGENCY.—The term ''Federal agency'' means an Executive agency, a judicial office, or a legislative office.

(5) JUDICIAL FACILITY.—The term ''judicial facility'' means a facility that is owned or leased by a judicial office.

(6) JUDICIAL OFFICE.—The term ''judicial office'' means an entity of the judicial branch of the Federal Government.

(7) LEGISLATIVE FACILITY.—The term ''legislative facility'' means a facility that is owned or leased by a legislative office.

(8) LEGISLATIVE OFFICE.—The term ''legislative office'' means an entity of the legislative branch of the Federal Government.

(b) EXECUTIVE BRANCH STANDARDS AND ENFORCEMENT.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS.—

(A) IN GENERAL.—The Administrator shall issue regulations requiring any entity operating a child care center in an executive facility to comply with applicable State and local licensing requirements related to the provision of child care.

(B) COMPLIANCE.—The regulations shall require that, not later than 6 months after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the requirements; and

(ii) any contract for the operation of such a child care center shall include a condition that the child care be provided in accordance with the requirements.

(2) ACCREDITATION STANDARDS.—

(A) IN GENERAL.—The Administrator shall issue regulations specifying child care center accreditation standards and requiring any entity operating a child care center in an executive facility to comply with the standards.

(B) COMPLIANCE.—The regulations shall require that, not later than 3 years after the date of enactment of this Act—

(i) the entity shall comply, or make substantial progress (as determined by the Administrator) toward complying, with the standards; and

(ii) any contract for the operation of such a child care center shall include a condition that the child care be provided by an entity that complies with the standards.

(C) CONTENTS.—The standards shall base accreditation on—

(i) an accreditation instrument described in section 2(2)(B);

(ii) outside monitoring described in section 2(2)(B), by—

(I) the Administrator; or

(II) a child care credentialing or accreditation entity, or other entity, with which the Administrator enters into a contract to provide such monitoring; and

(iii) the criteria described in section 2(2)(B).

(3) EVALUATION AND ENFORCEMENT.—

(A) IN GENERAL.—The Administrator shall evaluate the compliance of entities described in paragraph (1) with the regulations issued under paragraphs (1) and (2). The Administrator may conduct the evaluation of such an entity directly, or through an agreement with another Federal agency, other than the Federal agency for which the entity is providing child care. If the Administrator determines, on the basis of such an evaluation, that the entity is not in compliance with the regulations, the Administrator shall notify the Executive agency.

(B) TERMINATION OF AGENCY PROVISION OF CHILD CARE OR CONTRACT.—On receipt of the notification—

(i) if the entity operating the child care center involved is the agency, the agency shall terminate the direct provision of child care by the agency; and

(ii) if the entity operating the child care center is a contractor, the agency shall terminate the contract of the entity to operate the center.

(C) COST REIMBURSEMENT.—The Administrator may require Executive agencies to reimburse the Administrator for the costs of carrying out subparagraph (A) with respect to entities operating child care centers for the agencies. If an entity described in paragraph (1) operates a child care center for 2 or more Executive agencies, the Administrator shall allocate the costs of providing such reimbursement among the agencies in a fair and equitable manner, based on the extent to which each agency is eligible to place children in the center.

(c) LEGISLATIVE BRANCH STANDARDS AND ENFORCEMENT.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS AND ACCREDITATION STANDARDS.—The Architect of the Capitol shall issue regulations for entities operating child care centers in legislative facilities, which shall be the same as the regulations issued by the Administrator under paragraphs (1) and (2) of subsection (b), except to the extent that the Architect may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in such paragraphs.

(2) EVALUATION AND ENFORCEMENT.—Subsection (b)(3) shall apply to the Architect of the Capitol, entities operating child care centers in legislative facilities, and legislative offices. For purposes of that application, references in subsection (b)(3) to regulations shall be considered to be references to regulations issued under this subsection.

(d) JUDICIAL BRANCH STANDARDS AND ENFORCEMENT.—

(1) STATE AND LOCAL LICENSING REQUIREMENTS AND ACCREDITATION STANDARDS.—The Director of the Administrative Office of the United States Courts shall issue regulations for entities operating child care centers in judicial facilities, which shall be the same as the regulations issued by the Administrator under paragraphs (1) and (2) of subsection (b), except to the extent that the Director may determine, for good cause shown and stated together with the regulations, that a modification of such regulations would be more effective for the implementation of the requirements and standards described in such paragraphs.

(2) EVALUATION AND ENFORCEMENT.—Subsection (b)(3) shall apply to the Director described in paragraph (1), entities operating child care centers in judicial facilities, and judicial offices. For purposes of that application, references in subsection (b)(3) to regulations shall be considered to be references to regulations issued under this subsection.

(e) APPLICATION.—Notwithstanding any other provision of this section, if 3 or more child care centers are operated in facilities owned or leased by a Federal agency, the head of the Federal agency may carry out the responsibilities assigned to the Administrator under subsection (b)(3)(A), the Architect of the Capitol under subsection (c)(2), or the Director described in subsection (d)(2) under such subsection, as appropriate.

(f) TECHNICAL ASSISTANCE.—The Administrator may provide technical assistance to Executive agencies, and to entities operating child care centers in executive facilities, in order to assist the entities in complying

with this section. The Architect of the Capitol and the Director of the Administrative Office of the United States Courts may provide, or request that the Administrator provide, technical assistance to legislative offices and judicial offices, respectively, and to entities operating child care centers in legislative facilities and judicial facilities, respectively, in order to assist the entities in complying with this section.

(g) COUNCIL.—The Administrator shall establish an interagency council, comprised of all Federal agencies described in subsection (e), to facilitate cooperation and sharing of best practices, and to develop and coordinate policy, regarding the provision of child care in the Federal Government.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $900,000 for fiscal year 1998 and each subsequent fiscal year.

SEC. 232. PROVIDING QUALITY CHILD CARE THROUGH FEDERAL PROGRAMS.

(a) CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.—Effective October 1, 2001, the Chief Executive Officer of the Corporation for National and Community Service shall ensure that, to the maximum extent practicable, any child care made available under any Federal financial assistance program carried out by the Chief Executive Officer, directly or through a child care allowance, shall be child care provided by an accredited child care center or a credentialed child care professional, as the terms are defined in section 2.

(b) DEPARTMENTS OF EDUCATION, HOUSING AND URBAN DEVELOPMENT, JUSTICE, AND LABOR.—Effective October 1, 2001, the Secretary of Education, Secretary of Housing and Urban Development, Attorney General, and Secretary of Labor shall ensure that, to the maximum extent practicable, any child care made available under any Federal financial assistance program carried out by the Attorney General or Secretary involved, directly or through a child care allowance, shall be child care provided by an accredited child care center or a credentialed child care professional, as the terms are defined in section 2.

(c) SOCIAL SERVICES BLOCK GRANTS.—Section 2002(a) of the Social Security Act (42 U.S.C. 1397a(a)) is amended by adding at the end the following:

''(3) Effective October 1, 2001, child care services made available under this subsection shall, to the maximum extent practicable, be child care services provided by an accredited child care center or a credentialed child care professional, as the terms are defined in section 2 of the CIDCARE Act.''.

SEC. 233. USE OF COMMUNITY DEVELOPMENT BLOCK GRANTS TO ESTABLISH ACCREDITED CHILD CARE CENTERS.

Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(1) in paragraph (22), by striking ''and'' at the end;

(2) in paragraph (23), by striking the period at the end and inserting a semicolon;

(3) in paragraph (24), by striking ''and'' at the end;

(4) in paragraph (25), by striking the period at the end and inserting ''; and''; and

(5) by adding at the end the following:

''(26) the establishment of accredited child care centers (as that term is defined in section 2 of the CIDCARE Act), by upgrading existing child care facilities to meet standards for accredited child care centers, or by renovating existing structures for use as accredited child care centers.''.

Subtitle E—Miscellaneous Provisions

SEC. 241. STUDENT LOAN REPAYMENT AND CANCELLATION FOR CHILD CARE WORKERS.

(a) STAFFORD LOAN REPAYMENT.—Section 428J of the Higher Education Act of 1965 (20 U.S.C. 1078–10) is amended—

(1) in the section heading by striking ''and nurses'' and inserting '', nurses and child care workers'';

(2) in subsection (a)(1), by striking ''and nursing profession'' and inserting '', nursing and child care professions'';

(3) in subsection (b)(1)—

(A) in subparagraph (B)(ii), by striking ''or'' after the semicolon;

(B) in subparagraph (C), by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(D) is employed full time providing child care services, and possesses a certificate or degree in early childhood education or development.''; and

(4) in subsection (g)—

(A) in paragraph (1), by striking ''and community service'' and inserting ''community service, and child care''; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''and community service'' and inserting ''community service, and child care''; and

(ii) in subparagraph (D), by striking ''and community service'' and inserting ''community service, and child care''.

(b) PERKINS LOAN CANCELLATION.—Section 465(a)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087ee(a)(2)) is amended—

(1) in subparagraph (H), by striking ''or'' after the semicolon;

(2) in subparagraph (I), by striking the period and inserting ''; or''; and

(3) by inserting after subparagraph (I) the following:

''(J) as a full-time employee who provides child care services and possesses a certificate or degree in early childhood education or development.''.

SEC. 242. EXPANSION OF COORDINATED ENFORCEMENT EFFORTS OF INTERNAL REVENUE SERVICE AND HHS OFFICE OF CHILD SUPPORT ENFORCEMENT.

(a) STATE REPORTING OF CUSTODIAL DATA.—Section 454A(e)(4)(D) of the Social Security Act (42 U.S.C. 654(e)(4)(D)) is amended by striking ''the birth date of any child'' and inserting ''the birth date and custodial status of any child''.

(b) MATCHING PROGRAM BY IRS OF CUSTODIAL DATA AND TAX STATUS INFORMATION.—

(1) NATIONAL DIRECTORY OF NEW HIRES.—Section 453(i)(3) of the Social Security Act (42 U.S.C. 653(i)(3)) is amended by striking ''a claim with respect to employment in a tax return'' and inserting ''information which is required on a tax return''.

(2) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Section 453(h) of the such Act (42 U.S.C. 653(h)) is amended by adding at the end the following:

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information described in paragraph (2), consisting of the names and social security numbers of the custodial parents linked with the children in the custody of such parents, for the purpose of administering those sections of the Internal Revenue Code of 1986 which grant tax benefits based on support and residence provided dependent children.''

(c) MINIMUM PAST-DUE SUPPORT THRESHOLD FOR USE OF OFFSET PROCEDURE.—

(1) PART D FAMILIES.—Section 464(b)(1) of the Social Security Act (42 U.S.C. 664(b)(1)) is amended by inserting ''(not to exceed $150)'' after ''minimum amount''.

(2) OTHER FAMILIES.—Section 464(b)(2)(A) of such Act (42 U.S.C. 664(b)(2)(A)) is amended by striking ''$500'' both places it appears and inserting ''$150''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1997.

Mr. DODD. Mr. President, it is my pleasure today to join my colleague from Vermont, Senator JEFFORDS, as we introduce the Creating Improved Delivery of Child Care: Affordable, Reliable, and Educational (CIDCARE) Act of 1997.

This legislation will go a long way toward giving parents peace of mind. Child care shouldn't be like going to Las Vegas—where you roll the dice and hope for the best. Parents should be confident that when they are not able to be with their children, their children will still be well cared for. We shouldn't be gambling with our children's health and safety.

Up to this point Mr. President, we in the federal government have largely deferred the issue of quality of child care to the states. The sole significant contribution of the federal government to improving the quality of this nation's child care is the modest 4% set-aside for quality improvement that we struggled to create within the child care development block grant. This lack of federal support for quality has not served children well.

A few years ago my good friend, Professor Ed Zigler of Yale University, did a survey of state child care regulations. He found, in short, that states are failing the ''quality test''—no state had child care regulations in place that could be characterized as good quality standards. Only a third of states had minimally acceptable regulations. Two-thirds of states had regulations that didn't even address the basics—caregiver training, safe environments, appropriate provider-child ratios.

Keep in mind, we're not even talking about how well or whether states actually enforced those standards. This study was simply asking a question about the first step in quality—whether states had basic child care quality standards on the books that providers could be held to. This legislation addresses, for the first time on a federal level, the issues of quality child care. We have safety standards for the food we eat and the cars we drive. Is it too much to have some basic standards for child care providers—individuals who literally hold a child's life in their hands? I think not, Mr. President. And even beyond basic health and safety standards, we must consider how we can assist caregivers in supporting children's growth and development.

Mr. President, this legislation will help working families afford child care. Specifically, this bill more equitably distributes the child care tax credit by making the credit refundable for lower income families, increasing the credit for families under $55,000, and phasing down the credit to a minimum of 10% for higher income taxpayers. Further, it increases the amount that employees can contribute to Dependent Care Assistance Plans (DCAP).

The CIDCARE bill further provides incentives for parents to choose high quality child care by providing a higher tax credit and larger DCAP allowances for families that use accredited or credentialed services, reflecting the higher expenses associated with higher quality care.

Additionally, this legislation encourages child care centers and providers to offer high quality child care. It gives child care providers a higher deduction for the educational expenses related to achieving or maintaining accreditation. It further provides $50 million to create and operate a technology-based training infrastructure, that builds upon existing distance learning, Internet, and satellite resources, to enable child care providers nationwide to receive training, education, and support. It also provides loan forgiveness for Perkins and Stafford educational loans for child care workers who obtain a degree in early childhood education or receive professional child care credentials. This bill would also require federal child care centers to meet all state and local licensing and other regulatory requirements related to the provision of child care.

This legislation will also give businesses incentives to support quality child care for their employees and the community at large. It will allow businesses a charitable deduction for donating educational equipment to nonprofit child care providers, support entities, and public schools and provides a tax credit for employers who develop child care centers for their employees.

Finally, Mr. President, the CIDCARE bill will provide grants to states to support quality child care. It establishes a $260 million competitive grant program to assist states in improving the quality of child care through mechanisms such as: salary increases for credentialed child care providers: developing standards for the accreditation and credentialing of child care providers; scholarship programs to help child care providers meet the costs of education and training; expanding training and technical assistance activities; consumer education efforts, and increased rates of reimbursement for the care of children with special needs.

Mr. President, quality child care can no longer be considered a luxury reserved for the very few. This should not be a partisan issue. All of us want the best for our children. And when they can't be with their parents, we want them to be in high quality care. This legislation will move us in that direction. I urge my colleagues to join Senator JEFFORDS and myself in support of the CIDCARE bill.

ADDITIONAL COSPONSORS

S. 22

At the request of Mr. MOYNIHAN, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of S. 22, a bill to establish a bipartisan national commission to address the year 2000 computer problem.

S. 100

At the request of Mr. KERRY, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 100, a bill to amend title 49, United States Code, to provide protection for airline employees who provide certain air safety information, and for other purposes.

S. 217

At the request of Mr. BIDEN, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 217, a bill to amend title 38, United States Code, to provide for the payment to States of plot allowances for certain veterans eligible for burial in a national cemetery who are buried in cemeteries of such States.

S. 535

At the request of Mr. MCCAIN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 535, a bill to amend the Public Health Service Act to provide for the establishment of a program for research and training with respect to Parkinson's disease.

S. 969

At the request of Mr. D'AMATO, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 969, a bill ordering the preparation of a Government report detailing injustices suffered by Italian Americans during World War II, and a formal acknowledgement of such injustices by the President.

S. 989

At the request of Mr. DORGAN, the names of the Senator from Georgia [Mr. CLELAND], the Senator from Louisiana [Ms. LANDRIEU], and the Senator from South Dakota [Mr. JOHNSON] were added as cosponsors of S. 989, a bill entitled the ''Safer Schools Act of 1997''.

AMENDMENT NO. 889

At the request of Mr. MCCONNELL the name of the Senator from Kansas [Mr. BROWNBACK] was added as a cosponsor of amendment No. 889 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 890

At the request of Mr. HUTCHINSON the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of amendment No. 890 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

AMENDMENT NO. 892

At the request of Mr. BROWNBACK the names of the Senator from Arizona [Mr. MCCAIN], and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of amendment No. 892 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

At the request of Mr. MCCONNELL the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of amendment No. 892 proposed to S. 955, supra.

AMENDMENT NO. 896

At the request of Mr. BINGAMAN the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of amendment No. 896 proposed to S. 955, an original bill making appropriations for foreign operations, export financing, related programs for the fiscal year ending September 30, 1998, and for other purposes.

SENATE CONCURRENT RESOLUTION 40—EXPRESSING THE SENSE OF CONGRESS REGARDING THE OAS–CIAV MISSION IN NICARAGUA

Mr. HELMS submitted the following original concurrent resolution; which was reported from the Committee on Foreign Relations and placed on the calendar.

S. CON. RES. 40

Whereas the International Support and Verification Commission of the Organization of American States (in this resolution referred to as the ''OAS–CIAV'') was established in the August 7, 1989, Tela Accords by the presidents of the Central American countries and by the Secretary Generals of the United Nations and the Organization of American States for the purpose of ending the Nicaraguan war and reintegrating members of the Nicaraguan Resistance into civil society;

Whereas the OAS–CIAV, originally comprised of 53 unarmed Latin Americans, successfully demobilized 22,500 members of the Nicaraguan Resistance and distributed food and humanitarian assistance to more than 119,000 repatriated Nicaraguans prior to July 1991;

Whereas the OAS–CIAV provided seeds, starter plants, and fertilizer to more than 17,000 families of demobilized combatants;

Whereas the OAS–CIAV assisted former Nicaraguan Resistance members in the construction of nearly 3,000 homes for impoverished families, 45 schools, 50 health clinics, and 25 community multi-purpose centers, as well as the development of microenterprises;

Whereas the OAS–CIAV assisted rural communities with the reparation of roads, development of potable water sources, veterinary and preventative medical training, raising basic crops, cattle ranching, and reforestation;

Whereas the OAS–CIAV, together with the Pan-American Health Organization (PAHO), trained local paramedics to staff 22 health posts in the Atlantic and pacific regions of Nicaragua and provided medical supplies to treat mothers, young children, and cholera patients, among others, in a five-month program that benefited nearly 50,000 Nicaraguans;

Whereas the OAS–CIAV, with 15 members under a new mandate effective June 9, 1993, has investigated and documented more than 1,800 human rights violations, including 653 murders and has presented these cases to Nicaraguan authorities, following and advocating justice in each case;

Whereas, the OAS–CIAV has demobilized 20,745 rearmed contras and Sandinistas, as