

NLWJC - Kagan

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**Family - Child Care: Treasury
Report**

April 22, 1998

CHILD CARE EVENT

DATE: April 23, 1998
LOCATION: Rose Garden
EVENT TIME: 10:00 am - 11:00 am
FROM: Bruce Reed

I. PURPOSE

To urge congressional action on child care, and release two reports documenting business efforts on child care: (1) the Treasury Working Group on Child Care report, *Investing in Child Care*; and (2) the Department of Labor report, *Meeting the Needs of Today's Workforce: Child Care Best Practices*. You will also announce a new commitment by the Department of Labor to serve as a clearinghouse for businesses interested in child care, and to set up a business-to-business mentoring program on child care.

II. BACKGROUND

Legislative Update on Child Care

While the event will spotlight best practices in the corporate community and urge greater private sector commitment to child care, the purpose of this event is to emphasize the importance of a federal commitment to child care and to urge Congress to act on child care legislation this year. Numerous child care bills have been introduced by Democrats and by Republicans since you announced your child care initiative earlier this year. Many of the bills incorporate the Administration's key child care priorities -- substantial new subsidies and tax credits to help low- and middle-income families pay for child care; investments to help states and communities improve the quality of early childhood programs; a new tax credit for businesses that provide child care services; and an expansion of before- and after-school programs. Further, several of the tobacco proposals (Conrad, Fazio, and Kennedy) would direct a portion of tobacco revenue to child care and early childhood programs.

Some key Members of Congress are committed to Congressional action on child care this year, including Senators Dodd, Kennedy, Kerry, Chafee and Snowe, and Representatives Kennelly, Tauscher, and DeLauro. Importantly, the bipartisan Congressional Women's Caucus, led by Representatives Norton and Johnson, recently released a letter to Speaker Gingrich urging that Congress pass child care legislation.

Despite the interest in child care, there are serious obstacles to enacting the Administration's proposals. First, as you know, the Senate Budget Resolution targets all tobacco funds to Medicare. While the Resolution allows for up to \$9 billion for expanded child care tax credits and \$5 billion to increase discretionary spending for the Child Care and Development Block Grant, offsets would have to be found for these expansions. Second, both Houses have passed resolutions emphasizing that any child care proposal must include significant new funding for stay-at-home parents, thereby pitting child care investments against programs and tax cuts that would help parents who stay home care for their children. Third, many Democrats are more interested in using child care as a political issue in an election year than in passing a bill this session. Finally, the Republican leadership is stalling child care legislation for political reasons. The House Ways and Means Committee has not scheduled any hearings on child care, and Senator Chafee was only recently able to schedule a child care hearing before his Finance Subcommittee.

Release of Final Report of Treasury Working Group on Child Care

Investing in Child Care is the final report of the Treasury Working Group on Child Care, which you asked Secretary Rubin to lead at the White House Conference on Child Care. This initiative has garnered significant enthusiasm from the children's advocacy community, as it represents the first time a Treasury Secretary has focused on child care issues. The report discusses what businesses can do to promote access to affordable, high quality child care for their employees, highlights a wide range of best practices, and presents evidence that investing in child care makes good business sense. The Working Group report finds that, while only one percent of revenues for child care and early education come from the private sector, businesses benefit from providing child care assistance in a variety of ways -- through improved productivity, lower turnover, better recruitment, reduced absenteeism, and improved morale.

The Treasury Working Group will meet with the First Lady and Erskine Bowles before this event. The Working Group consists of business and labor leaders, and includes Sandy Weill, CEO, The Travelers Group; Randy Tobias, President, Eli Lilly; John Sweeney, President, AFL-CIO; Doug Price, CEO, FirstBank of Colorado; George Stinson, President and CEO, General Converters and Assemblers; and Marcy Whitebook, National Co-Director, Center for the Child Care Workforce. (Please note that the group was not subject to the Federal Advisory Committee Act and therefore *will not* make recommendations.)

Release of Labor Department Report and Announcement of New Commitment

The Labor Department report that will be released at the event, *Meeting the Needs of Today's Workforce: Child Care Best Practices*, highlights best practices of the corporate sector to offer child care assistance to their workers. The examples are primarily gleaned from the Labor Department's Honor Roll of companies with model family-friendly workplace practices. You will also announce a new commitment by the Department of Labor to serve as a clearinghouse for businesses interested in child care, and to set up a business-to-business mentoring program on child care.

Take Our Daughters to Work Day

April 23rd is the sixth annual Take Our Daughters to Work Day. The Ms. Foundation for Women began the program in 1993 to address issues facing adolescent girls aged nine to fifteen. The program gives girls the opportunity to visit a work setting with a parent or friend

so they can see all of the different jobs women do. Many guests at this event will have their daughters with them.

III. PARTICIPANTS

- The First Lady
- Secretary Herman
- Secretary Shalala
- Randy Tobias, CEO, Eli Lilly and Co.

Also on stage:

Secretary Aida Alvarez
Members of Congress

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- **YOU** will briefly meet the members of the Treasury Working Group and advisory committee in the Oval Office.
- **YOU** will be announced into the Rose Garden accompanied by the First Lady, Secretary Shalala, Secretary Herman, and Randy Tobias.
- The First Lady will make welcoming remarks and introduce Secretary Herman.
- Secretary Shalala will make remarks and introduce Secretary Herman.
- Secretary Herman will make remarks and introduce Randy Tobias.
- Randy Tobias will make remarks and introduce **YOU**.
- **YOU** will make remarks and then depart.

VI. REMARKS

Remarks provided by Speechwriting.

PRESIDENT CLINTON URGES CONGRESS TO TAKE ACTION ON CHILD CARE AND RELEASES REPORTS HIGHLIGHTING PRIVATE SECTOR EFFORTS

April 23, 1998

President Clinton called on Congress today to take action to make child care better, safer, and more affordable for America's working families. In a Rose Garden ceremony, the President released two reports highlighting private sector efforts to provide child care assistance to workers. These reports show that providing child care is good for workers, good for businesses, and good for the economy. Today more than ever, America's parents are working: three out of five mothers with children under age six work outside the home. Yet a recent study found that *only one percent* of revenues for child care and early education come from the private sector.

Treasury Department Working Group on Child Care Report Finds that Investments in Child Care Make Good Business Sense. At the White House Conference on Child Care (10/23/97), President Clinton asked Secretary Rubin to convene a group of business and labor leaders to look at child care problems facing working parents and to identify best practices in the private sector and in public-private partnerships. Today, the Treasury Working Group on Child Care released a new report, *Investing in Child Care*:

- Child care problems can reduce productivity and profits. The Working Group report finds that businesses benefit from providing child care assistance -- through increased productivity, lower turnover, better recruitment, reduced absenteeism, and improved morale.
- "The report carries an important lesson: investments in child care can pay off in real dividends for employers and employees." --Treasury Secretary Robert Rubin, *Investing in Child Care*.

The Treasury Working Group is made up of business and labor leaders, and includes Sandy Weill, CEO, The Travelers Group; Randy Tobias, President, Eli Lilly; John Sweeney, President, AFL-CIO (and Linda Chavez-Thompson, Vice President, AFL-CIO representing him); Doug Price, CEO, First Bank of Colorado; George Stinson, President and CEO, General Converters and Assemblers; and Marcy Whitebook, National Co-Director, Center for the Child Care Workforce.

New Department of Labor Report Highlights Model Business Practices and New Initiative Aims at Increasing Private Sector Involvement. Today, the Department of Labor released a new report, *Meeting the Needs of Today's Workforce: Child Care Best Practices*, which examines best practices initiated by businesses, government agencies, unions, not-for-profits, and business/community partnerships to meet the demands of employees who are also parents. The key finding of the report is that, in today's global economy, providing child care and other family-friendly policies helps companies recruit and retain the best workforce for the future. The President is also announcing a new commitment by the Department of Labor to serve as a clearinghouse for businesses interested in child care, and to set up a business-to-business mentoring program on child care.

Businesses Can't Do it Alone: The President Calls for Congressional Action. Millions of Americans, struggling to be both good parents and good workers, rely on child care and after-school programs for part of each day. As part of his balanced budget request, the President called for significant new investments in child care -- to help working families pay for child care, build a good supply of after-school programs, improve the safety and quality of care, and promote early learning. To encourage more private sector investment in child care, the President has proposed a new tax credit for businesses that offer child care services to their employees. Today, the President calls on Congress to put aside partisan differences and take action on child care this year.

White House Child Care Event
April 23, 1998
Questions & Answers

GENERAL QUESTIONS

Q. What are you announcing today?

A. The President is releasing two reports which focus on efforts of the business community to meet child care needs: (1) the Treasury Department Working Group on Child Care report, *Investing in Child Care*; and (2) the Department of Labor report, *Meeting the Needs of Today's Workforce: Child Care Best Practices*, coupled with a new initiative by the Department of Labor to serve as a clearinghouse for businesses interested in child care, and to set up a business-to-business mentoring program on child care.

Q. There has not been any movement on the Hill on child care and House leaders in particular have stated their opposition to your initiative. Isn't your child care initiative in a lot of trouble?

A. No. Since the President announced his child care initiative in January, legislation has been introduced by Republicans and Democrats, including Senators Chafee and Dodd, and Representatives Johnson and Kennelly. Many of the bills incorporate the Administration's key child care priorities -- substantial new subsidies and tax credits to help low- and middle-income families pay for child care; investments to help states and communities improve the quality of early childhood programs; a new tax credit for businesses that provide child care services; and an expansion of before-and after-school programs. We were particularly encouraged that, just this month, the bipartisan Women's Caucus wrote a letter to the House leadership urging the consideration of child care legislation this year. Further, several of the tobacco proposals, including those sponsored by Senators McCain, Conrad, and Kennedy, would direct a portion of tobacco revenue to child care and early childhood programs.

However, the Republican Leadership must act on these bills soon. Congress has less than 70 days to pass child care and other pressing initiatives to meet the needs of America's families. We will be working hard with Congress on a bipartisan basis to enact legislation this year to make child care better, safer and more affordable for the hardworking American families that rely on it.

Q. There are currently a number of child care proposals on the Hill from both sides of the aisle, which contain tax breaks to stay-at-home parents. What's the Administration's position on helping stay-at-home parents?

A. There are a number of proposals on the Hill to help stay-at-home parents, and we are

working hard to evaluate their costs and effects. The President believes that we should respect and support parents in whatever choices they make, whether they work or stay at home. He has tried to support that choice in the past through a variety of actions to increase family income, such as expanding the Earned Income Tax Credit, increasing the minimum wage, and passing the \$500 per-child tax credit. The President believes that by continuing to work together on a bipartisan basis and by taking the best proposals from both sides of the aisle, we will achieve legislation that benefits all America's families and children.

Q. A big piece of your child care initiative depends on getting tobacco legislation. What will you do if you don't get a tobacco bill?

A. First, the initiative is paid for in a number of ways -- only one part comes from tobacco revenues. Second, and more important, we believe that a national tobacco settlement will pass. We support strong tobacco legislation, and many Republicans and Democrats alike are working vigorously to craft comprehensive legislation. Of course, no offset proposed in a budget is guaranteed; the Congress can reject any proposed way of financing a program. If Congress does not pass comprehensive tobacco legislation, we will work with Congress to find other offsets.

Q. Why do you propose spending money from a tobacco tax on child care? What is the connection?

A. First things first. The Administration is working to pass comprehensive tobacco legislation this year that will help stop our nation's children from taking up smoking in the first place. The most important thing is that Congress commit to such legislation -- not that it allocate the resulting funds in any particular way. Of course when the debate over funding occurs, the President will push for some tobacco revenues to pay for initiatives designed to ensure the health and well-being of our children -- the innocent victims of the tobacco industry's practices. Child care is one such initiative because it is critically important for the future of America's children and families.

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

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

TREASURY REPORT:

Q. What does the Families and Work Institute survey that it is in the Treasury Report show?

A. It shows that child care services, flexible work schedules, and leave policies benefit not only employees -- but also businesses by improving retention and increasing productivity. It also shows that businesses promote access to child care for their employees in a variety of ways -- not just by providing on-site care. Employers also contribute to the cost of off-site care, help provide access to resource and referral networks, participate in public-private partnerships, and provide greater flexibility for working parents.

Q. Why are you emphasizing employer-provided care when it makes up such a small percentage of all child care?

A. The key finding of the reports released today by the Treasury and Labor Departments is that it makes good business sense to provide child care. In fact, companies that do provide child care experience improved recruitment, higher retention, better morale, and lower absenteeism rates. This event is an effort to raise awareness among businesses that providing child care will help them meet their bottom line.

Q. If companies are providing quality child care, why do we need a government program?

A. Today, too few companies are providing child care -- only one percent of revenues for child care and early education come from the private sector, according to a recent survey. But while businesses can do more, they cannot meet the incredible demand for child care by themselves. The President's child care proposal would make child care more affordable, safer and more available for working families, while also stimulating new investments by the private sector through the proposed employer tax credit.

Q. Who was on the Treasury working group on child care and how were they chosen?

A. The members of the Treasury's working group on child care are: Travelers Group CEO Sandy Weill; Eli Lilly and Co. Chairman and CEO Randy Tobias; AFL-CIO president John Sweeney; FirstBank of Colorado CEO Doug Price; General Converters & Assemblers president and CEO George Stinson; and Marcy Whitebook, national Co-Director of the Center for the Childcare Workforce. In addition, a number of advisors and other business leaders worked closely with the group, including Ted Childs of IBM; Ellen Galinsky of the Family and Work Institute; and Dee Topol of the Travelers Foundation. In putting together this group, we tried to select a range of business and labor leaders who have been active on work/family issues.

Q. How often did the group meet?

A. At the White House Conference on Child Care (10/23/97), President Clinton asked Secretary Rubin to convene a group of business and labor leaders to look at child care problems facing working parents and to identify best practices in the private sector and in public-private partnerships. In December, representatives of the working group members met with Treasury officials, child care experts, and interagency staff in Washington to discuss plans for the working group. The work on the report has been ongoing since that time by conference call and through staff.

Q. Was this group subject to the rules of the Federal Advisory Committee Act (FACA)?

A. Treasury's Office of General Counsel determined that the nature and structure of the group meant that the requirements of the Federal Advisory Committee Act would not be triggered.

Q. There don't seem to be any major policy recommendations. What does the group think that businesses should do?

A. Secretary Rubin indicated in the cover letter accompanying the report that he hopes businesses will draw lessons from the best practices presented in the report. By identifying and publicizing programs such as the ones contained in this report, Secretary Rubin and the members of the group hope to replicate these successes around the country in large and small businesses.

LABOR REPORT:

Q: What is the Department of Labor's Report, *Meeting the Needs of Today's Workforce -- Child Care Best Practices* and how is it useful?

A: The Department of Labor's report is a compilation of best practices initiated by businesses, government agencies, unions, not-for-profits, and business/community partnerships nationwide to meet the demands of their employees who are also parents.

The Department of Labor is also launching a new initiative, "**Ask Me About Child Care --I Care**" **Outreach Initiative,**" to reach out to 1,000 companies by next year to increase business' awareness of the benefits of offering child care assistance for workers. DOL's Women's Bureau, through its 10 regional offices, will provide technical assistance to businesses and facilitate a mentoring initiative by linking interested businesses to those highlighted in the Department's Best Practices report. As part of this initiative, the Department of Labor is launching a new user-friendly child care web page, which will give employers information about doing child care assessments, opening on-site child care centers, offering non-standard hours care, etc. Today's report, coupled with the

Department's new outreach initiative, will help businesses across the country provide child care and other family-friendly policies.

Q: How were these entries selected?

A: There are many excellent child care programs throughout the country, but as mentioned above, this report is a sampling of dozens of best practices that were selected to reflect the diversity of child care options available to employers of different sizes and types (including businesses, local governments, unions, hospitals, community colleges, etc.). Many of the entries were chosen from the Department of Labor's Working Women Count Honor Roll, a list of companies that have committed to make work better for women and their families.

Q: How is this report different from the Honor Roll Report?

A: The original Honor Roll Report issued in 1996 outlined commitments by employers to make work better for women and their families. This new report highlights employers that have expanded their initiatives over the last two years since the Honor Roll Report in the area of child care, and shares the lessons that they learned as a result.

Famchild care - Treasury report

Nicole R. Rabner

04/07/98 06:16:31 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Christa Robinson/OPD/EOP
cc: Patricia Solis-Doyle/WHO/EOP, Jennifer L. Klein/OPD/EOP
Subject: Treasury Working Group Scheduling Request



TREAS.A2

Jen and I understand that at Erskine's Thursday scheduling meeting, there will be a discussion of the POTUS scheduling request for a WH event on ~~October~~ ^{April} 23rd highlighting the release of the final report of the Treasury Working Group on Child Care. Our understanding is that on the 23rd the President has many hours of meetings scheduled with a foreign head of State, and there is some question as to how this event will fit in.

On our scheduling request, we had suggested the late morning for this event, as the CEOs on the Treasury Working Group are scheduled for their working meeting with Rubin at 10:30am. We had hoped that just following this meeting, we could have the public event at the White House. Apparently, the Treasury Department had a great deal of difficulty finding a date and time that worked for the various CEOs and others on the working group, and we would like to stick to this time-frame. On the other hand, if an alternate time works for the President and the First Lady on that day, the Treasury staff could go back to the CEOs. So while the date is unchangeable, there may be some flexibility with the time, just fyi.

to 11:30

Attached, also fyi, is the scheduling request.

- Weil

Imp to our econ
business

Good model c.c. programs
Survey

Dep't of Labor
labor roll
companies