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# Child Care Services

Max S. Baucus

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Senator \* or Department\*: BAUCUS

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**Child Care Services** 

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Ladies and gentlemen. It is a pleasure for me to be here this evening and have this opportunity to talk to those of you who are doing what I regard as one of the most important jobs in this country—helping to care for our nation's children. Your work will certainly influence the development of the children in your care and will set the course for the child's entire life.

Your profession -- day care -- is a relatively new one, especially as far as federal funding is concerned. The first major use of Federal funds for child care services was during World War II when, under the Lanham Act, funds were made available to the states to provide care for the children of mothers working in war-time industries. This program was terminated, however, when the war ended. The expectation was that the mothers in the war plants would return home, and the need for child care services would disappear.

In fact, not all of the mothers did leave their jobs, and in the years that have elapsed since that time, the number of working mothers has grown steadily. In 1948 there were about 4.2 million mothers in the labor force with children under age 18. By 1974 this number had more than tripled, to 13.6 million. These 13.6 million working mothers had 26.8 million children under 18, with about 6 million of these children under age 6.

Concern for the welfare of these children has been the major impetus behind the growing interest in Federal programs to provide child care services. Reflecting this growing interest in child

care services, Congress has enacted a considerable amount of Federal legislation in recent years authorizing Federal funds for child care or child care-related services.

by states in providing day care services, under amendments to the Social Security Act. In 1968, 1971, 1974 and 1976 there were additional amendments designed to expand and improve the quality of child care services.

To give you an idea of the broad spectrum of programs available under several different branches of the federal government, let me briefly run through some of the programs presently in force that deal with child care for children under 6.

of course probably the program you are all most familiar with is the Child Care Services, under Title XX of the Social Security Act. This program provides to the states 75 percent Federal matching funds for services, including child care, which are provided to families who meet income eligibility criteria.

Under other sections of the Social Security Act funds are provided for research and for early and periodic screening, diagnosis and treatment of young children.

Most of you know of the Headstart program, which is funded under the Economic Opportunity Act. Education of the preschool handicapped child is funded under the Elementary and Secondary Education Act, which also funds programs for those preschool children who are bilingual, or do not speak English.

Maternal and Child Health Services is aimed at mothers and children in rural areas, and in areas of economic distress.

Crippled Children's Services also provides federal funds for preschool aged children in need of special care and treatment.

The National School Lunch Program now has provisions to provide assistance to day care children in certain specified situations. The Breakfast and Special Milk Programs also provide help to the day care child.

The Department of Agriculture, under its Supplemental Food
Program, provides iron and protein-rich foods to certain mothers and
to children under 6. The WIC (Women, Infants and Children) program
is also concerned with nutrition of mothers and children.

Finally, SBA (Small Business Association) and FmHA (Farmers Home Administration) provide loans and guarantees on loans to day care operators for setting up or improving day care facilities.

Last year SBA guaranteed \$2 million in loans for these purposes.

So you can see, the Federal Government is deeply involved in day care.

When Congress enacted the Social Services Amendments of 1974 it included a requirement that no Federal funds be provided for child care under Title XX unless such care met the 1968 Federal Interagency Day Care Requirements. This prohibition against the use of Title XX funds for child care not meeting the specified requirements prompted a number of states, Montana included, to raise the issue of the child-staff ratios mandated by the law. The ratios required for pre-school children, it was argued, were too stringent.

In response to these concerns Congress in 1976 enacted Public Law 94-401 which suspended the child-staff ratios for young children and made several other modifications related to staffing of child care facilities. The suspension was made effective until October 1, 1977. Congress also authorized an additional \$200 million to be used by the States to assist in meeting the child care requirements. The 94th Congress also asked the Secretary of HEW to complete a study of the appropriateness of the child care standards and provided that the report of his findings and recommendations should be made to Congress prior to July 1, 1977.

Other important legislation passed in 1975 and 1976 included PL 94-105 which amended the National School Lunch Act to provide for a new Child Care Food Program. Another law set the goal of providing full, free public education to all handicapped children age 3 to 18 by Sept 1, 1978 and provided funds for State programs to implement this law.

The Tax Reform Act of 1976 allowed families with children to claim a credit against their income taxes for certain child care expenses.

This year we passed the Tax Reduction and Simplification Act of 1977, which was signed by the President in May. It included 1 provision that might affect you as child care providers.

Under this law, day care operators who use their home as a place of business will be allowed to deduct as a business expense part of the costs of maintaining that home. To qualify to deduct these expenses the home must be licensed as a day care facility under State law.

H.R. 7200 (and I have a few copies of that bill with me for those of you that are interested) provides \$200 milion under Title XX for FY 78. (with no state matching) The bill suspends until Oct 1, 1978 the imposition of the child-staff ratios. It also delays to April 1, 1978, the date by which the Secretary of HEW must report on the appropriateness of the Title XX Child Care Standards. This bill passed the House on June 14 by a vote of 333 to 64.

Hearings were held by the Senate Finance Committee in July. Since those Hearings, the bill has been marked by by the Senate Committee and should be sent to the Senate floor next week.

That's where day care is now as far as the federal government is concerned. What about the future of day care?

As you know, on August 6 President Carter announced the outlines of a welfare reform proposal which will contain strong incentives or possibly mandatory requirements for certain single parent heads of households to seek work. If this is implemented it will greatly increase the number of children needing day care.

Welfare planners are looking at two ways of meeting the day care needs of those children whose parents would be going to work.

1) Expand day care through the public service jobs program by providing work in both public and private day care centers to those in the job program and 2) Earmark more Title XX funds under the Social Security Act to provide day care to single-parent families.

The Administration admits day care is a problem that has not been considered in detail by the people who planned the welfare reform system. Day care is a costly element in any welfare reform

plan and President Carter has said he does not want the initial cost of the new welfare program to be higher than current costs. Whatever the final details are, there is no doubt that the Welfare Reform Act will increase the number of children to be cared for outside the home. In the next few years we should see a greatly expanded system of day care facilities.

The White HOuse Conference on the Handicapped met this last spring and recommended that handicapped children should be placed with non-handicapped children as early as possible. According to the conference report the mixing of handicapped and non-handicapped children in the same programs should help them all develop positive attitudes toward the handicapped. The conference recommended day care and nursery schools for both urban and rural handicapped children. If this recommendation is followed through on, it provides a large number of potential clients for day care operators—clients that will require special facilities and staffing.

Based on statistics prepared by the Census Bureau's Population Division, nearly half of the children born this year can be expected to live in a single-parent household before reaching the age of 18. That is twice the percent of children who were living in single parent families in the early 1900's. This statistic alone points to the need to provide more day care facilities.

When one takes into account the continuing trend of more women joining the labor force, plus the greater number of single parent families, day care will certainly be one of the fastest growing occupations in the coming decades.

Certainly there are challenges facing those of you involved in providing day care. The value and importance of good day care must be publiced. Today only about 36% of the children ages 3 to 6 whose mothers work full time are cared for in someone else's home. The public must understand how vital to the child's future development the first five years of his life are. The community must recognize that day care centers and homes are not just baby sitting operations with the kids propped in front of the TV, but that good day care provides the stimulation, education and crucial learning experiences children need and deserve.

Most of the children that are cared for outside the home are not in licensed facilities. You must promote your services, and make the public and parents who might use your services become aware of the value of good day care.

Another area of child care that needs consideration is the school age child whose parents work. These children need a special type of day care facility that will provide care and supervision after school, during holidays and vacations. They need a different type of facility than the pre-school child. There are some programs now that help to meet this need--but there are still too many children who have no care or are "on their own" after school and on holidays.

Most of you are in this occupation because you like to work with children. Certainly you're not in it for the money, because statistics tell us that no one in Montana is getting rich providing

day care. On low Montana salaries parents cannot afford high fees for day care, but until the day care fees are increased, operators cannot pay better wages to their workers or provide good or improved day care facilities and programs.

In an ideal world mothers would be paid to stay at home, caring for their pre-school child. They would be the first teacher for their child, and thus each child would get the necessary love and attention and get off to a good start during those vital first years of development. Unfortunately, this is not an ideal world, and each year more and more mothers of preschool children are joining the work force for one reason or another. Your role in our society, as day care providers, will only grow in importance in the coming years. I commend you for the fine work you are doing, and pledge my continued support in Congress to measures to help improve the quality and quantity of day care available.