

**Statement of Hon. Carolyn B. Maloney, a Representative in Congress from  
the State of New York**

Chairman Johnson, Ranking Member Cardin and the rest of the Committee members, thank you for allowing me to testify before you. Today we are discussing the role of the government in the area of child care, an issue I have been working on all of my political life.

Before I came to Congress, I was a member of the New York City Council. A little over ten years ago, one hour after a Council meeting, I gave birth to my youngest daughter. I quickly understood the problems a working mother with a young child has.

Finding quality care for my child while both myself and my husband pursued our careers was difficult—and I am sure that for many parents it is daunting. With this first hand knowledge I introduced a series of child care bills before the City Council which I called the “Virginia Plan,” after my young daughter.

Ten years later, the collective child care problems of America’s families are turning into a national dilemma.

In 1970 the Department of Labor found that 30 percent of married mothers were in the workforce . . . by 1994 that number was 62 percent—and it is expected to continue to rise.

Whether we are discussing two-earner families or single mothers, their young children deserve a safe, stimulating environment while their parents are working. Welfare reform has also greatly affected the care of many of our nation’s children.

With each state determining how best to implement welfare reform, often children are forgotten in the equation.

The New York State Comptroller, Carl McCall, completed a study which reported that due to welfare reform 60,000 children in New York City would be in need of child care by the year 2001. But the city will only have places for about half of them. This is a pattern which I am sure is repeated across the country.

So with these realities, what should the government do?

I believe that the issues and problems surrounding child care are diverse, and that there is not one, single solution. What is needed is a comprehensive strategy which can tackle different parts of the problem in different ways:

We need to address the single parent on welfare who faces the dilemma of losing their check by staying home with their children, or leaving their children in sub-standard care, or worse, home alone.

We need to address a child's need for a safe, stimulating environment which is most crucial in the early years of development. We need to address nutrition, after-school care and the quality of care workers.

As you see, there are many issues and no one solution—or even two solutions—will solve them all.

There are many interesting proposals which have been submitted on both sides of the aisle, and I have a few of my own.

The Child Care Infrastructure Act, H.R. 389, a bipartisan bill I introduced with Rep. Ros-Lehtinen, is in the President's budget. This bill would give a 25% tax credit to employers who engage in activities such as: Building and subsidizing an entire child care facility on or near the site of the company; Participating with other businesses in setting up and jointly running a child care center; contracting with a child care facility to provide a set number of places for employees—giving centers the steady cash flow they need to survive.

This bill gives employers many options, but in the end both the employers and employees are winners. The employees know that their children are in good care. Employers have discovered that these employees are more productive, have less absenteeism and are more loyal to the company.

In a related issue, today I will be introducing the Breastfeeding Promotion and Employers' Tax Incentive Act. This bill will encourage employers to set up a safe, private, and sanitary environment for women to pump breast milk through a tax credit. This is a cutting-edge issue—and many companies are beginning to understand the importance of allowing their mothers to pump milk.

—For example, Mr. Cardin, in your district RWD Technologies, an information and technology company of 1,000 people in Columbia, Maryland has a lactation room for its employee-mothers. Not surprising is that many insurance companies, Aetna, CIGNA, etc, have lactation rooms because they recognize the potential in savings for health care costs from having healthier children.

The last piece of children's legislation is "Kiddie Mac"—the Children's Development Commission Act, which I will also be reintroducing later today.

While market forces should respond to demand, the obvious need for quality, affordable child care is not being fully met.

This bill would make it easier for child care providers to get the financing they need in order to build or rehabilitate a child care facility.

This is how it works: The Children's Development Commission, or "Kiddie Mac," would receive a loan application from a bank for a child care facility. The Commission would then certify the loan, allowing HUD to issue a guarantee to the bank. With the guarantee, the bank will be more willing to provide a loan—and it should also result in more favorable financing terms which means better cash flow for the facility.

The Commission will also provide smaller, special purpose loans for bringing existing facilities up to local licensing standards. It will also provide access to fire and liability insurance and create a foundation to do research into child care.

After a one-time appropriation, the Commission would pay for itself through the premiums paid by the banks for the guarantees.

Thank you for listening to my views and my proposals, and I thank the Committee for recognizing the need to focus on child care.