

Statement by Sen. Chuck Grassley
Senate Finance Committee
Joint Hearing on Child Care
Tuesday, March 19, 2002

Mr. Chairman, thank you for convening today's hearing on an issue that is important to millions of families across the county.

The challenge of juggling child care and work has emerged as one of the central topics in the debate on welfare reauthorization. There is no question that child care is an important part of a parent's ability to work. It is relevant to the welfare reauthorization debate, and it deserves our full attention.

Today's joint hearing is uniquely designed to look at child care in a broad sense, and I look forward to hearing from our witnesses about the strengths and weaknesses of our current child care programs.

Of particular importance to me is understanding how child care programs are working to serve individuals moving from welfare to work. Working parents know best about the importance of finding affordable, high-quality child care.

We can't say too much about the importance of quality child care for our children. We know that learning starts at a very young age, and creating a healthy environment for children to grow and learn is critical to facilitating positive outcomes.

Without a doubt, the need for qualified, dependable, and available child care is in high demand in Iowa. Iowa ranks second in the country for numbers of working parents – 79% – with children under the age of five, and first in the country in the number of working parents with school-age children – 83%. The rate of workforce participation by mothers has doubled over the past thirty years. Today, nearly 77% of all Iowa mothers are part of the workforce.

The high rate of two-parent workforce participation demonstrates Iowa's strong work ethic, and is something that Iowans are proud of. At the same time, the rising work rates have contributed to dramatic rises in demand for child care services.

Working parents know firsthand about the challenges of finding high quality child care. In Iowa, thousands of children are receiving quality services in various settings, but too many families face unmet child care needs.

The child care challenge is multi-faceted. Affordability, availability, and quality are all important to a parent seeking child care. For parents who need child care during non-traditional hours, such as during evenings and weekends, the challenges can be even greater.

The bottom line is that parents want the assurance of knowing that their children are in good hands when they leave to go to a job.

As a parent, a grandparent, and a great grandparent, I see the daily challenges my own family members face.

And, as an employer, I understand and support the needs of parents to look out for the well-being of their children. Child care arrangements can come undone, and it's in the best interest of an employer to be flexible and supportive when necessary.

Today's witnesses will provide a great deal of information related to federal spending on child care programs, and I look forward to hearing from them. Yet, I think it is also important to point out the great strides made by Congress last year to assist low-income working parents with costs of caring for children.

Prior to the enactment of the bipartisan tax relief plan last year, the tax code had two major subsidies for child care:

1. The \$500 per child tax credit (refundable only for large families); and
2. A tax credit for the care of dependent children.

Last year's bipartisan tax relief package expanded existing child care subsidies and added new ones:

1. The \$500 per child tax credit was increased to \$600 retroactively and made fully refundable for low-income families, and doubled it over ten years.
 2. The dependent care tax credit was expanded; and
 3. A new tax credit for employer-provided child care facilities was enacted.
 4. And, we simplified and expanded the earned income credit.
- All total, these measures added up to close to \$200 billion in that legislation.

I understand that these measures are not the precise topic of our hearing today, but it is important that we understand the range of support that is available to assist working families with children.

These provisions apply to low and middle income families, and represent a recognition and commitment on the part of Congress to help defray the child care costs.

Again, Mr. Chairman, thank you for convening this hearing.