

2. SUPPORTING WORKING FAMILIES

In this era of unprecedented prosperity, we still have some work... to do to make sure that we embrace all Americans in this prosperity and to give every American the chance to succeed at work and at home... America is a better place because our families are stronger, our children are growing up in more stable homes, and every adult American who is willing to work has a chance to do so.

President Clinton
August 1999

While the surge of economic growth in the past seven years has presented a wealth of opportunities, this new economy also means that parents work harder than ever. Many face a constant struggle to fulfill their obligations as workers and the even greater responsibility of doing a good job in raising their children.

From the start, President Clinton has advanced policies to strengthen the family, in large part by helping Americans balance the twin demands of work and parenthood. The first bill he signed into law, two weeks after taking office, was the Family and Medical Leave Act, granting workers the right to 12 weeks unpaid leave to care for a newborn child, or a sick child or parent, or attend to their own serious health needs. The President has expanded after-school programs and funding for child care and early childhood learning including, in the past seven years, increasing funding for Head Start by 90 percent, moving toward the goal of serving one million children by 2002.

In the course of this Administration, the President has sought to encourage and support work and responsibility, pillars of the family structure. A central goal of his 1993 economic package was to make work pay. The President's economic plan expanded the Earned Income Tax Credit (EITC), helping 15 million low-income working families. In 1998, the EITC lifted 4.3 million people out of poverty, more than twice as many as in 1993. In 1996, he proposed, and signed into law an increase in the minimum wage, followed in 1997 by the child tax credit of \$500 per

child and the State Children's Health Insurance Program (SCHIP), which provides health insurance to the children of low-income working parents who otherwise would not be able to afford it.

The President believes that individuals have a responsibility to work to support their families, and government has a responsibility to reward work. In 1996, he signed legislation to reform the Nation's welfare system into one that requires and rewards work and responsibility. There is now increased flexibility for States to administer work-focused welfare programs. In order to provide support for those entering the work force, this legislation expanded funds for child care. Significant steps have been taken to ensure that eligible working families retain access to food stamps and Medicaid, and to increase participation in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Welfare reform has also placed additional responsibility on non-custodial parents for financial responsibility in child rearing by strengthening child support provisions. In order to support at-risk families and individuals, this Administration has advanced policies to provide support for those at-risk, which can prevent a slide into dependency.

In this budget, the President builds upon these policies that are central to his agenda of work, responsibility, and family. The budget expands the EITC to provide marriage penalty relief to two earner couples, reduce marginal tax rates, and provide a higher credit to larger families, who face a child poverty rate twice as high as families with one

or two children. This budget promotes early learning and improves child care quality. It makes child care more affordable by expanding subsidies and the Child and Dependent Care Tax Credit, including making it refundable in order to help defray child care costs for low- and moderate-income families. The budget expands 21st Century Learning Community Centers, increases support for education of disabled children, and expands Head Start. It also expands resources for WIC and proposes to restore food stamps, Medicaid, and Supplemental Security Income for certain legal immigrants. It continues efforts to move people from welfare to work. It includes a major initiative to help former welfare recipients and other low-income families succeed on the job and move up the career ladder. This initiative provides competitive grants to States and local communities that build partnerships to maximize the use of existing resources to provide work supports and skill training. The budget promotes responsible fatherhood, proposing tough new measures to ensure that all parents who can afford to pay child support do so, making sure more support goes directly to families, and making sure that unemployed fathers who owe child support go to work and provide that support. This new initiative is targeted at increasing the employment, earnings, and child support payments of low-income fathers.

Increasing the Earned Income Tax Credit

The Federal Government is committed to helping those who work meet the cost of raising their children. The EITC helps to meet this goal by supplementing the earnings of working families. In his 1993 economic program, the President proposed, and Congress enacted, legislation to substantially expand the credit, helping 15 million low-income working families. The expansion contributed to reducing the poverty rate to 12.7 percent in 1998, the lowest rate since 1979. Having implemented a series of EITC

error-reduction initiatives, including the provisions in the Taxpayer Relief Act of 1997, the President is proposing another increase in the EITC.

The budget includes a 10-year, \$23.6 billion proposal to expand the EITC to provide tax relief for 6.8 million working families by increasing the credit received by larger families and married couples. The poverty rate for children in families with three or more children is more than twice that of children in smaller families. This proposal would increase the maximum credit for families with three or more children by approximately \$500 in order to help roughly 2.1 million low- and moderate-income families. Approximately 5.4 million families with two or more children would also benefit from a slower phaseout rate, so parents could keep more of what they earn even as their earnings increase. The proposal would also provide an average credit increase of \$250 for married two-earner couples by allowing them higher combined earnings; a two-earner couple with children could earn up to \$14,480 and still receive the maximum credit. In addition, the proposal would simplify the rules for measuring earned income.

Expanding Child Care Resources

The President's 2001 proposal builds on the successes of last year's budget in which the Administration obtained \$173 million to help States improve the quality of child care, \$10 million for child care research, and an increase of \$254 million for the Education Department's after-school/summer-school program.

The budget proposes a range of further increases and new policies to expand the accessibility, affordability, and quality of federally-funded child care. The 2001 child care initiative would increase spending and tax incentives by \$3.3 billion over 2000 (see Table 2-1).

Table 2-1. The Budget Supports a \$3.3 Billion Increase in Resources for Child Care, 36 Percent Over 2000

(Budget authority, in millions of dollars)

	1993 Actual	1999 Actual	2000 Estimate	2001 Proposed	Change: 1993 to 2001	Change: 2000 to 2001
Spending:						
Discretionary and Mandatory Budget Authority:						
Child Care and Development Fund ¹	² 1,753	3,167	3,550	4,567	+2814	+1,017
Child Care and Development Block Grant	893	1,000	1,183	2,000	+1,107	+817
Child Care Entitlement to States		2,167	2,367	2,567	NA	+200
Head Start	2,776	4,660	5,267	6,267	+3,491	+1,000
Early Learning Fund				600	+NA	+600
21st Century Community Learning Centers		200	453	1,000	+1,000	+547
College Campus-Based Child Care		5	5	15	+15	+10
Child Care Apprenticeship Program		4	5	5	+5	
Developmental Disabilities Special Projects, State Support Systems		4	4	4	+4	
Total Spending	4,529	8,040	9,284	12,458	+7,329	+3,174
Changes in Tax Expenditures:						
Expansion and Simplification of Child and Dependent Care Tax Credit ³				121	NA	+121
Tax Credits for Private Employers				42	NA	+121
Total Changes in Tax Expenditures				163	NA	+163
Total	4,529	8,040	9,284	12,621	+7,329	+3,337

NA = Not applicable.

¹ Includes discretionary Child Care and Development Block Grant and mandatory Child Care Entitlement to States.² Includes AFDC/JOBS, Transitional, At-risk, and discretionary child care programs that were consolidated into the Child Care and Development Fund beginning in 1997.³ Includes tax expenditures and effect on outlays.

To make child care more affordable, the budget proposes an expansion of resources for the Child and Dependent Care Tax Credit, tax credits for private employers, the Child Care and Development Fund, and college campus-based child care. In addition, it continues the existing child tax credit and exclusion of employer contributions for child care expenses.

Child and Dependent Care Tax Credit (DCTC): The DCTC helps approximately six million families cover their child care costs each year. This proposed expansion will gradually make the credit refundable so it will be available to low-income working families for the first time. The expansion will also increase the amount of the credit for middle-income families who are struggling to afford child care. The budget also proposes further expansion of this tax credit to help parents who

choose to stay home to raise a young child. These proposals would provide tax credits worth \$7.5 billion over five years.

Tax Credits for Private Employers: To encourage businesses to provide child care services to their employees, the budget proposes a new tax credit for private employers that expand or operate child care facilities, train child care workers, contract with a child care facility to provide child care services to employees, or provide child care resource and referral services to employees. This proposal would provide tax credits worth over \$500 million over five years.

Child Care and Development Fund: Federal funding for child care has more than doubled under this Administration, providing child care services for 1.75 million children from low-income working families or families mov-

ing from welfare to work in 1999. The budget would further increase funds for the Child Care and Development Fund by \$817 million, enabling the program to provide child care subsidies for nearly 150,000 additional poor and near-poor children in 2001. These new funds will bring the Child Care and Development Fund to a level of \$4.6 billion, with \$2 billion in the Child Care and Development Block Grant and \$2.6 billion in the Child Care Entitlement to States. When combined with the child care funds provided in welfare reform beginning in 1997, the new funds will enable the program to serve 2.3 million children by 2003, an increase of over one million since 1997.

College Campus-Based Child Care: To encourage low-income parents to pursue higher education, the budget includes \$15 million for the Child Care Access Means Parents in School program to establish and support child care services on college campuses. States may also use a share of the Child Care and Development Fund for this purpose.

Exclusion of Employer Contributions for Child Care Expenses: The 2001 Budget continues this measure, consistent with current law, permitting parents to exclude up to \$5,000 of employer-provided child care expenses from their taxable income and Social Security earnings. The exclusion from income tax will provide nearly \$4 billion in benefits over five years.

Tax Credit to Help Meet the Cost of Raising a Child: The Child Credit, which the President proposed and Congress enacted as part of the 1997 Taxpayer Relief Act, helps working parents raise their children by providing \$500 per child for all children under age 17. The credit, which will provide over \$93 billion in tax benefits over the next five years, will help 26 million families with over 44 million children in 2001.

Strengthening Early Childhood Learning

The budget provides new funds to improve the safety and development of young children, including the new Early Learning Fund, and continued expansion of the highly successful Head Start program.

Head Start: Head Start, one of the President's highest priorities, is America's premier early childhood development program. It supports working families by helping parents get involved in their children's educational lives and providing services to the entire family. Since 1993, the President has worked with Congress to increase annual Head Start funding by 90 percent. In 2000, Head Start will serve 880,000 low-income children, including up to 44,000 children under age three in the Early Head Start component that the President launched in 1995.

The budget proposes to expand Head Start funding by \$1 billion in 2001 and add approximately 60,000 Head Start pre-school slots and 10,000 Early Head Start slots, bringing the total number of children in Head Start to approximately 950,000. The Administration intends to increase participation by underrepresented groups in specifically targeted areas with recent influxes of immigrants and limited English proficient children, including seasonal farmworkers. The proposed increase invests in program quality improvement measures and makes further progress toward the President's goal of enrolling a million children in Head Start by 2002, including doubling the number of infants and toddlers in Early Head Start.

Early Learning Fund: Scientific research on reading compiled by the National Academy of Sciences shows that children participating in quality early childhood programs have significantly higher reading achievement from third grade through eighth grade, have fewer behavior problems, are less likely to be required to repeat a grade or to be referred to special education, and are more likely to graduate from high school. The White House Conference on Early Child Development and Learning in 1997 highlighted the importance of experiences in the early years of life to school readiness. In response, the Administration proposed the Early Learning Fund to help improve early childhood education for children under five years old. The budget proposes to establish the Early Learning Fund at a level of \$3 billion over five years to provide community grants for activities that foster cognitive development. Activities would focus on language acquisition, emergent literacy, reading development, numeracy, and other early child-

hood education, health, and emotional development activities aimed at improving child care quality and readiness for school. Resources could be used to help providers obtain certification, facilitate licensing or accreditation of child care programs, enhance provider training and retention, and reduce child-to-staff ratios—quality factors associated with positive developmental outcomes for young children. Grants to States would be contingent on reporting on progress toward child care quality goals and on children's progress toward educational goals. A Federal evaluation would assess improvements in outcomes that result from the Fund.

21st Century Community Learning Centers: First funded in 1997 and expanded dramatically in 1998, this program provides grants to public schools, in partnership with community-based organizations, to establish and expand extended learning time opportunities.

This year, the budget proposes to more than double funding for this program to \$1 billion, in order to reach over 10,000 schools and 2.5 million students. The 21st Century Community Learning Centers are part of a comprehensive approach to fix failing schools by providing low-achieving students the extra help they need to meet challenging academic standards. The budget provides sufficient funds for this program to make after- and/or summer-school programs universally available to help turn around all Title I schools identified as low-performing, while also offering high quality after-school opportunities to others.

Continuing Support for other Key Programs that Assist Families

Investments in Child Care Quality: In response to the President's request for 2000, Congress provided an additional \$173 million for child care quality activities, which supplements the \$135 million that would already have been available for these activities in 2000. Congress has also advance appropriated another \$173 million for quality activities for 2001. States invest these dollars in improving child care quality through activities such as resources and referrals for parents, scholarships and training for child care providers,

monitoring and inspection of providers, networks for family day care providers, and linkages with Head Start. The budget also requests a continuation in 2001 of the \$50 million reserved in 2000 for activities to improve the quality of child care for infants and toddlers.

Research on Child Development and Child Care: Research on child care, and dissemination of its findings, is critical to support State and local policy makers in their decision-making about child care and to help parents learn how to evaluate and where to find quality child care. At the President's request, Congress provided \$10 million for new research activities in 2000 to expand our knowledge of good policies and practices—including the types of child care settings, parent activities, and provider training that most benefit the early development of children—and to demonstrate effective consumer education programs and hotlines. This budget requests \$10 million in continued research funding for 2001.

National Crime Prevention and Privacy Compact: Last year, the President and Congress worked together to pass legislation, based on a proposal from the White House Conference on Child Care, to help build a new electronic information sharing partnership among Federal and State law enforcement. This legislation makes background checks on child care providers (and other non-criminal justice checks) more efficient and accurate by eliminating some of the barriers that have made it difficult for States to share information about the criminal backgrounds of job seekers.

Services for Families of Children with Disabilities: Children with disabilities and their families face a broad range of obstacles to achieving educational success. Ensuring that the educational needs of the youngest children with disabilities are fully met is critical to the Administration. (For a discussion of the Administration's work incentives initiative for individuals with disabilities and investments in special education programs, see Chapter 1, "Investing in Education and Training.")

The budget continues a \$4 million program proposed two years ago by the President and funded by Congress to help the families

of children with disabilities. This program provides grants to States to expand and modify their State-wide support systems to help these families address such problems as inadequate child care options, missed job training and job opportunities, the loss of medical assistance, and teen pregnancy.

Promoting Self-Sufficiency

Improving Access to Food Stamps: For many low-income working families, access to food stamps can keep them out of poverty. However, between 1995 and 1997, food stamp participation fell five times faster than the poverty rate, suggesting that some working families have left the program though they remain poor. Last year, the President took a series of actions to ensure working families who need food stamps know how to get access to them. These steps included launching a nationwide public education campaign and toll-free hotline to help working families know they are eligible for food stamps, allowing States to make it easier for working families receiving Temporary Assistance to Needy Families (TANF) to own a car and still be eligible for food stamps, and simplifying food stamp reporting rules to reduce bureaucracy and encourage work.

The budget will build upon such efforts by providing funds to improve outreach and nutrition education to individuals who are eligible for food stamps. The budget also proposes to help the many working poor families for whom owning a vehicle is the one item that makes them ineligible for food stamps. For many of these families, a car is necessary in order to get to jobs or job training, as well as to access essential services, such as child care, that allow them to work. The budget proposes to make it easier for 245,000 individuals in working families to own vehicles and receive food stamps by allowing States to conform their food stamps vehicle policy with a more generous TANF program.

In addition, the budget provides \$565 million in food stamp benefits for legal immigrants (see discussion later in this chapter).

Increasing Parental Responsibility Through Child Support Enforcement: The President's campaign to ensure that parents

support their children is working. In 1998, the number of paternities established rose to nearly 1.5 million, and child support collections have nearly doubled since the President took office, to an estimated \$15.5 billion in 1999. In 1999, net Federal costs for child support enforcement were \$1.7 billion.

The budget builds on this success by taking important, additional steps to increase child support collections and to direct more of these payments to low-income families. The budget expands the Administration's Family First policy enacted under welfare reform by allowing States to adopt simplified child support rules under which all collections made on behalf of former welfare families would be paid to the family. This proposal would result in an additional \$815 million in child support paid to these families over five years, improving their chances of staying off the welfare rolls.

The budget also proposes to provide Federal matching funds for child support that States distribute to families on welfare above States' current efforts. Matching funds would only be available for child support which does not reduce the family's cash benefit, resulting in an estimated \$388 million more in child support income for families on welfare over five years. In addition, the budget would require States to review child support orders for these families every three years, increasing the Federal share of child support collections by \$262 million through 2005.

The budget includes several new measures to increase child support collections from parents who owe past-due child support. The budget proposes to intercept the gambling winnings of these parents, and to offset their Social Security and other Federal benefits to collect past-due support. The budget would also add vehicle booting to the set of enforcement tools available to States to bring delinquent non-custodial parents into compliance. The budget would also deny passports to delinquent non-custodial parents with more than \$2,500 in child support arrears, lowering the threshold from \$5,000 under current law, and prohibit them from enrolling as a Medicare provider. These proposals would result in \$669 million more paid to families

through 2005, and would provide Federal savings of \$362 million.

The budget stabilizes State and Federal funding of the child support program. The budget improves the methodology for awarding incentive payments to States to make these payments a more reliable funding stream for States. The budget also conforms the Federal match rate for paternity testing with the lower administrative match rate, resulting in \$41 million in Federal savings over five years.

Supporting Children Leaving Foster Care: An estimated 20,000 children leave foster care each year having reached the age of 18 without being adopted or finding another permanent relationship. Without the financial, as well as social and emotional support that families provide, many of these youth find themselves inadequately prepared for life on their own. Studies that examined former foster youth two to four years after leaving care found that only half had completed high school, less than half were employed, and only about 40 percent had held a job for one year or more. Of these young adults, one-fourth had been homeless at least one night, 60 percent of the females had given birth, and fewer than one in five were completely self-supporting. In November 1999, working together with Congress, the President secured a 50-percent increase in funds to help former foster youth transition to adulthood, and new authority giving States the option of providing Medicaid coverage to these youth up to age 21. The budget proposes to increase 2000 funding for this program to \$140 million, the full amount authorized and double the amount provided in 1999, and to maintain this higher level in 2001.

Working to End Violence Against Women: Since 1993, funding for services to victims of domestic and sexual violence has grown by over \$400 million and the passage of the Violence Against Women Act of 1995 expanded the Government's role in supporting services and providing scientific knowledge to prevent and treat violence against women. The budget proposes an increase of over \$20 million to further strengthen and increase the availability of battered women's shelters and counseling services, increase culturally appro-

prate services in under-served populations, and expand resources for research and prevention activities aimed at changing the social norms that allow this violence to occur. These new funds will allow programs addressing violence against women to serve an additional 30,000 women and children.

Assisting Impoverished Border Communities: The budget provides \$5 million in assistance for rural, impoverished communities along the United States/Mexico border. Almost all of the residents in these communities are poor, and one-third receive no food assistance. These funds will help to build partnerships that will improve the delivery of nutrition assistance, health, and other programs to these impoverished areas.

Restoring Equity in Benefits for Legal Immigrants

The President believes that legal immigrants should have the same economic opportunity, and bear the same responsibility, as other members of society. Upon signing the 1996 welfare law, he pledged to work toward reversing the unnecessary cuts in benefits to legal immigrants that were unrelated to the goal of moving people from welfare to work. As part of the 1997 Balanced Budget Act, the President worked with Congress to restore Medicaid and Supplemental Security Income (SSI) to hundreds of thousands of disabled and elderly legal immigrants. The next year, the Noncitizens' Benefit Clarification and Other Technical Amendments Act restored eligibility to additional legal immigrants. In response to the Administration's request, the 1998 Agricultural Research Act restored food stamp benefits to 225,000 elderly, disabled, and other needy immigrants, including 70,000 children who lawfully resided in the United States as of August 22, 1996.

Despite these gains, many legal immigrants, including disabled individuals and families with children, remain ineligible for nutrition assistance, health, and disability benefits. The budget provides \$2.5 billion over five years to let States provide health care to legal immigrant children and pregnant women, to restore SSI eligibility to legal immigrants with disabilities, and to restore food stamp eligibility to certain aged immigrants and

to legal immigrants in families with eligible children. The SSI and related Medicaid benefits in the budget that apply to immigrants who entered the country after August 1996, and became disabled thereafter, would only start after five years of residence.

Health Care: As described in Chapter 3, "Strengthening Health Care," the budget would let States provide health coverage to legal immigrant children and pregnant women under Medicaid and, in the case of children, SCHIP. Currently, States can provide health coverage to legal immigrants who entered the country before the welfare law was enacted. But, immigrants who entered after the law was enacted cannot get benefits for five years. Under these proposals, States could provide health coverage to those children and pregnant women through Medicaid or through SCHIP. In addition, parents of legal immigrant children who have coverage restored would also be covered by the Medicaid/SCHIP family coverage policy described in Chapter 3, "Strengthening Health Care."

Supplemental Security Income (SSI): The budget would provide approximately \$1.2 billion over five years to restore SSI and related Medicaid to legal immigrants who entered the country after August 22, 1996, lived in the United States for more than five years and became disabled after entry. Currently, only legal immigrants who entered the country before August 22, 1996, can be found eligible for SSI disability benefits.

Food Stamps: As mentioned earlier in this chapter, the budget provides \$135 million over five years to ensure that legal immigrants in the United States as of August 22, 1996, who are eligible for food stamp benefits may receive them once they reach age 65. In addition, the budget builds on the progress made in the Agricultural Research Act by providing \$430 million over five years to restore benefits to adult legal immigrants who were residing in the United States before August 22, 1996, and are currently living with eligible children.

Continuing Support for Working Families

The Administration is committed to policies that encourage the transition from welfare to work, and, once that transition has been made with success, supporting the efforts

of working families so that they will stay in the work force and move forward (see Table 2-2).

Helping Families Move from Welfare to Work: The President has led successful efforts to help millions of families make a successful transition from welfare to work.

Temporary Assistance for Needy Families (TANF): The President signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996, and States have refocused their welfare systems to support work. Welfare caseloads have fallen by over five million since President Clinton signed the welfare reform law, and by over 50 percent since he took office, to their lowest level in 30 years. Moreover, recent data from the Census Bureau's Current Population Survey show an 82-percent increase in the rate of employment for individuals leaving welfare since 1992.

Welfare-to-Work (WtW) Grants: Because of the President's leadership, the 1997 Balanced Budget Act included \$1.5 billion in 1998 and 1999 for a new Welfare-to-Work grants program. WtW provides grants to States and local communities to help long-term, hard-to-employ welfare recipients, and certain non-custodial parents, secure lasting, unsubsidized employment. Grantees may spend their funds for up to three years after receipt.

Funds are used for job creation, job placement, job retention, training, and other post-employment support services. Working closely with Congress, the Administration secured critically needed changes to WtW's eligibility requirements. The streamlined eligibility criteria will allow WtW to use existing resources to more effectively help long-term welfare recipients and non-custodial parents of low-income children work and support their children. To allow grantees to fully implement these program improvements, the budget proposes a two year extension of the period of time in which existing funds can be spent.

To build on the investments and partnerships begun under the Welfare-to-Work program and the Workforce Investment Act, this budget proposes an additional \$255 million for Fathers Work/Families Win, including

Table 2-2. The Budget Includes \$290 Billion Over Five Years in Support for Families with Children Through the Tax System

(In millions of dollars)

	1993 Actual	Estimate					Total 2001-2005
		2001	2002	2003	2004	2005	
Tax Expenditures							
Existing Law: ¹							
Earned Income Tax Credit ^{2, 3}	12,400	29,935	31,193	32,162	33,445	34,746	161,481
Child Tax Credit ²		20,000	19,475	18,615	17,985	17,275	93,350
Child and Dependent Care Tax Credit	⁴ 2,559	2,360	2,330	2,305	2,275	2,250	11,520
Exclusion of Employer Contributions for Child Care Expenses		700	725	765	805	850	3,845
Proposed Legislation:							
Expand and Simplify the Earned Income Tax Credit ^{2, 5}		2,308	2,240	2,281	2,318	2,340	11,487
Expand and Simplify the Child and Dependent Care Tax Credit ^{2, 6}		121	589	922	2,715	3,144	7,491
Tax Credits for Private Employers for Child Care Expenses		42	88	121	140	148	539
Total		53,270	56,640	57,171	59,683	60,753	289,713

¹ Does not include interaction effects between provisions.² Includes tax expenditures and effect on outlays.³ Excludes credit for workers who do not live with children.⁴ Calendar year actual for 1993.⁵ Includes an expansion of the credit for families with three or more children, a slower phaseout of the credit for families with two or more children, marriage penalty relief for two-earner couples, and simplification of the earned income definition.⁶ Includes an expansion of the credit for families with earnings below \$60,000, a phase-in of refundability, and assistance for stay-at-home parents of infants.

a \$10 million set aside to provide grants to Indians.

Fathers Work/Families Win: This initiative includes \$125 million for Fathers Work to put non-custodial parents (mainly fathers) who owe child support to work and help engage them in the lives of their children. As part of this effort, States will need to put in place procedures to require more non-custodial parents—whether their child is on welfare or not—to pay child support or go to work. The remaining \$120 million will be dedicated to Families Win to help low-income parents stay in their jobs, move up the career ladder, and remain off cash assistance. Competitive grants would be awarded to business-led State and local work force boards who demonstrate strong partnerships with community based organizations, faith based organizations, public entities such as Medicaid, food stamps, child support enforcement, TANF, and child care resources, transportation agencies, public housing authorities, and postsecondary schools. Families Win will provide resources for case manage-

ment and skill training for low-income families to ensure retention, advancement, and long-term success in the work force through improved access to training and food stamps, Medicaid, child care, and other critical support for eligible working families. Families Win includes \$5 million to finance improved information and access for low-income families through the One-Stop delivery system to the range of existing work supports and services such as food stamps, Medicaid, and the EITC.

Welfare-to-Work Transportation: One of the biggest barriers facing people who move from welfare to work—in cities and in rural areas—is finding transportation to get to jobs, training programs and child care centers. The President's leadership on this issue helped secure funding through 2003 to assist States and localities in developing flexible transportation alternatives, such as van services, for welfare recipients and other low-income workers. The budget proposes to double funding to \$150 million for this program in 2001.

Welfare-to-Work Housing Vouchers: In the 1999 Budget, the President proposed \$283 million for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job, and Congress approved full funding for this new initiative. Families will use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. The budget proposes \$183 million for an additional 32,000 vouchers, bringing the total number of welfare-to-work vouchers to 82,000 in 2001.

Individual Development Accounts (IDAs): Since 1992, President Clinton has supported the creation of IDAs, savings accounts to help low-income workers buy a first home, finance postsecondary education, or start a new business. The President signed into law in 1998 legislation providing \$10 million to get the program off the ground. The budget provides \$25 million for IDAs. The Administration will propose legislation to allow low-income workers' families to use IDAs to save for a car that helps them get or keep a job.

Social Services Block Grant (SSBG): SSBG supports an array of critical services to more than nine million low-income children and adults. The budget proposes to fund the SSBG at \$1,775 million in 2001, an increase of \$75 million over the authorized level to maintain funding at the 2000 level. Of this amount, \$25 million will be available to support second chance homes for unmarried teen parents and their children who cannot live at home or with other relatives. The basic SSBG grant provides funding to States to support a wide range of programs including child protection and child welfare, child care, and services focused on the needs of the elderly and the disabled. The inherent flexibility of this grant permits States to target funds to meet the specific needs in their communities.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC): The Administration has continued to target resources to low-income infants and children.

WIC, for example, reached over 7.3 million persons each month in 1999. Funding in 2000 is sufficient to serve 7.4 million women, infants, and children, and the budget proposes \$4.1 billion to serve 7.5 million people by the end of 2001, fulfilling the President's goal of full participation in WIC. (See Chapter 3, "Strengthening Health Care", for more information on WIC.)

Providing Better Benefits in the Workplace: The President has led successful efforts to ensure a living wage for all American workers while expanding their ability to care for their families and protect their health care benefits. In addition, the President has proposed an innovative way to allow States to provide partial wage replacement for parents who need to take leave to care for a newborn or recently adopted child.

Expanding the Family and Medical Leave Act (FMLA): In early 1993, the President proposed, and Congress enacted FMLA, which allows covered workers to take up to 12 weeks of job-protected, unpaid leave to care for a newborn or adopted child, attend to their own serious health needs, or care for a seriously ill parent, child, or spouse making it less likely that employees will have to choose between work and family. The President continues to support expansion of FMLA to reach workers in firms with 25 or more employees, extending coverage to almost 12 million more workers.

Making family leave more affordable: Many workers face barriers to taking advantage of unpaid leave. A 1996 Study found that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child. To address the existing barriers, the President's budget provides \$20 million for competitive planning grants to States and other entities to explore ways to make parental leave and other forms of family leave more affordable and accessible for American workers. This initiative would enable States and others to identify the workers who need financial assistance to take parental leave or other forms of family leave and to evaluate and develop options to aid these workers.

Ensuring equal pay: The budget includes \$27 million for the President's Equal Pay Initiative, an increase of \$12 million over 2000. The initiative requests \$10 million for the Equal Employment Opportunity Commission (EEOC) to provide training and technical assistance to about 3,000 employers on how to comply with equal pay requirements and to launch a public service announcement campaign on wage issues. The initiative also dedicates \$10 million in the Department of Labor (DOL) to train women in nontraditional jobs including high-tech jobs and other skill shortage occupations. Lastly, the initiative provides \$7 million for DOL to help employers assess and improve their pay policies, support public education efforts, provide for projects in nontraditional apprenticeships, and implement industry partnerships.

Increasing the minimum wage: In 1996, the President successfully sought a minimum wage increase that gave a big financial boost to full-time, full-year minimum wage workers, raising the pay of each by approximately \$1,800 a year. In November 1999, the President reiterated his support to further raise the minimum wage to \$6.15 an hour by the beginning of 2001. Increasing the minimum wage by one dollar in two equal steps simply restores the real value of the minimum wage to what it was in 1981. More than 10 million workers would benefit under this proposal. This increase will help ensure that as costs continue to increase, parents who work hard and play by the rules can bring up their children out of poverty. The President remains strongly committed to increasing the minimum wage and will work with Congress to ensure the enactment of this vital increase.