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September 7, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

I have today signed into law H.R. 12455, a bill concerning child day care staffing standards and social services supported with Federal financial assistance. Ensuring adequate day care for children is an important social service. It protects the well-being of thousands of American children -- and the economic independence of their working parents. The integrity of the family is of paramount importance but supportive government action is acceptable as long as it does not interfere with the family role.

Earlier this year, I vetoed the predecessor version of this bill, H.R. 9803 -- not because I disagreed with its goals -- but because that bill was the wrong means to a worthwhile end. The Congress sustained my veto. Today I have signed a new and better child day care bill -- the result of compromise and cooperation between the Congress and my Administration. H.R. 12455 embodies a major compromise on a key issue which led to that veto -- the imposition on States and localities of costly and controversial Federal staffing requirements for child day care services funded under Title XX of the Social Security Act.

H.R. 9803 would have imposed these standards effective July 1 of this year. Had that bill become law, it would have brought about an unwarranted Federal preemption of State and local responsibility to ensure quality day care services.

H.R. 12455, by postponing the Federal standards until October 1, 1977, will enable the States to operate day care programs for more than another year free of onerous and costly Federal intrusion, while HEW completes a required major study and report with recommendations on the day care standards. In addition, the Congress will have the opportunity to act on my proposed "Federal Assistance for Community Services Act," submitted to the Congress last February to reform the Title XX social services program.

My proposal would provide the States with the opportunity to administer the Title XX program with the necessary flexibility to meet their most pressing needs as they themselves determine those needs. It would simplify program operations and remove many of the burdensome and restrictive Federal requirements so that social services can be provided in the most efficient and effective manner, and can be most responsive to the needs of our citizens. As part of this overall approach, it would require the States to adopt and enforce their own standards for federally-assisted child day care.

While I am disappointed that the Congress has not, in H.R. 12455, clearly placed this responsibility and authority in the States, the bill's lengthy suspension of the standards is a positive step toward this objective.

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H.R. 12455 does adopt a concept contained in my Federal Assistance to Community Services proposal by permitting States to provide Title XX services on a "group eligibility" basis, except for most child day care services. Under this bill, States will not have to require that senior citizens and other persons who need and depend on social services programs be subjected to individual income and assets tests in order to determine whether they can participate in these programs. Such persons will be eligible as members of groups, when the States can reasonably assume that substantially all those to be served have incomes less than 90% of the State's median income.

This provision will make it possible for older persons and families who obviously qualify for federally-assisted services to obtain those services without a demeaning scrutiny of their personal affairs. It will also eliminate unnecessary and costly administrative trappings for many service programs, thereby freeing more Federal and State funds for the actual delivery of services.

H.R. 12455 embodies, in part, still another central element of my Federal Assistance for Community Services proposal: that States should no longer be required to match their share of the Federal Title XX social service funds with State and local tax dollars. Under this bill, as much as \$200 million in new Title XX funds would be distributed in fiscal year 1977 without a requirement for State matching, if States choose to spend that amount for child day care services. I am hopeful that this tentative step indicates the willingness of the Congress to consider seriously the elimination of the matching requirement for all Federal social services funds under Title XX.

I do have serious reservations about the amount of additional Federal funding provided in H.R. 12455, although it is less than the amount in the bill I earlier vetoed. It is also unfortunate that this bill, for the first time under Title XX, designates levels of funding for specified purposes. This is the antithesis of the spirit and intent of Title XX which permits States the maximum flexibility to determine their own priorities in using their share of Federal social services funds. I am also concerned that the child care provisions of this bill have not been adequately coordinated with child care provisions in the pending tax reform bill.

Much remains to be done to help the States improve their delivery of social services funded under Title XX. I am gratified that the Congress, in this bill, has moved in some measure toward accepting concepts in my proposed act to provide financial assistance for community services. Further action is needed, however, to provide more comprehensive reform that will provide States the tools and flexibility to deliver social services to those in need without cumbersome Federal regulation. I again urge the Congress to act promptly to give my proposal a full and favorable hearing.

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