

# A BLUEPRINT FOR PROGRESS

## on Early Learning and Care

---

Across the political spectrum, voters and policymakers recognize the importance of investing in policy solutions that support healthy development in children, beginning at birth, while allowing working parents to pursue greater economic security. Now, as we begin a new Congress and new administration, we must harness the overwhelming momentum and enact policies to build up a child care system that makes high-quality early learning and care available and affordable to all families who need it. Evidence shows that this is one of the greatest, most widely supported investments we could make to help multiple generations of Americans, particularly those most marginalized, both recover from current crises and be successful into the future.

FFYF has developed this Blueprint for Progress with resources and information showcasing the policy opportunities for lawmakers to support the care and education of children from birth through age five.



February 2021

# TABLE OF CONTENTS

---

## Introduction

## The Need

 Access

 Affordability

 Quality

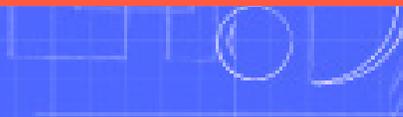
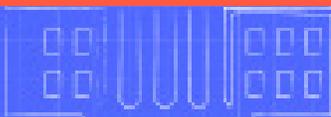
## Solutions

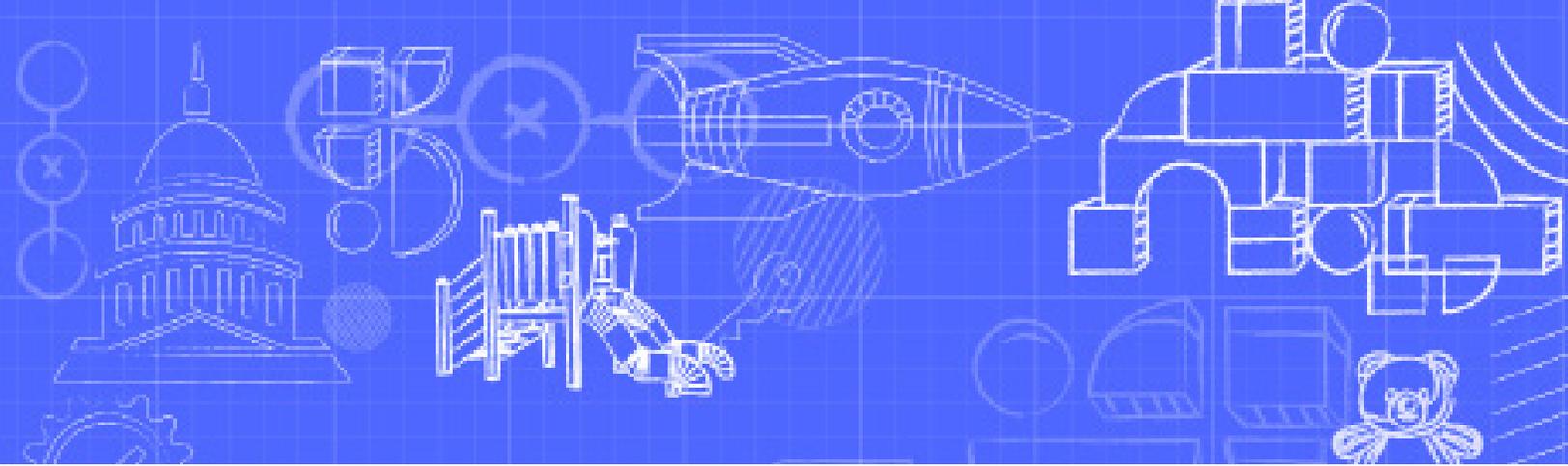
 Administrative Actions

 Program Reauthorization

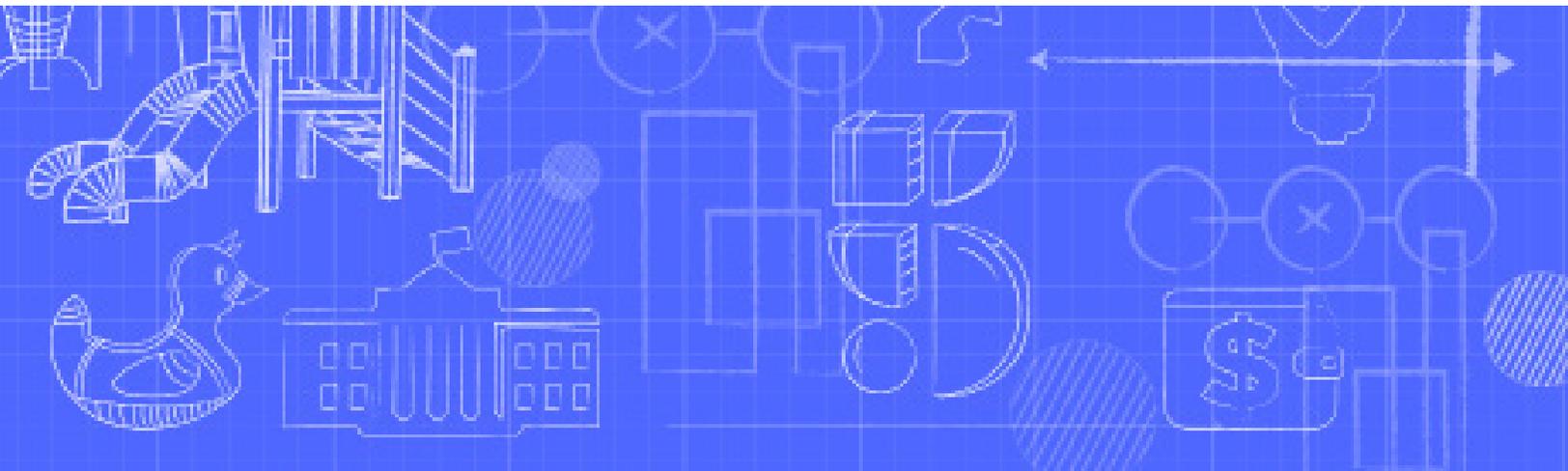
 Prioritize and Sustain Funding

 Harnessing Additional Opportunities





# INTRODUCTION





# Introduction

The Biden administration and the 117th Congress began at a moment of crisis for the nation's economy, including and especially for an industry on which the rest of the economy relies: child care.

Indeed, the coronavirus pandemic has reinforced the indispensable role of child care and early learning for working families and the economy. It also exposed the fragility of America's child care market and the dire need to build a system of care that meets the needs of all families and providers.

At the same time, there is tremendous momentum in Washington for early learning and care, driven by near-unanimous support among voters across the political spectrum, years of progress made through consistent bipartisan cooperation among federal policymakers, and an ever-deepening understanding about the crucial role early learning plays in the near- and long-term success of children and families.

Without question, in addition to building on the child care relief passed by Congress in December 2020 and the need to further confront the ongoing pandemic-related challenges of child care providers and the families they serve, there is a tremendous opportunity for the incoming Biden administration and bipartisan members of Congress to address the systemic challenges facing the nation's early learning foundation. Now is the time to enact meaningful solutions that meet the needs of America's working families – and to ensure that efforts to support our nation's educators rightly include the early educators who care for our youngest learners.

We know that economic development starts with early childhood development—and the best investments ensure all children, particularly those from low-income families or those facing other disadvantages, have access to high-quality early childhood education (ECE). At a time when the nation is grappling with the devastating effects of generations of systemic racism and oppression, investing in high-quality early learning and child care is a solution that creates upward mobility by ensuring all children have equitable access to the opportunities that allow them to build foundations for long-term success in life, while also allowing working parents to achieve greater economic security.

The good news is, amid a myriad of important issues requiring the urgent attention of the 117th Congress and the new administration on day one, addressing America's child care and early learning challenges makes for smart policy and smart politics. It also fits perfectly into President Biden's pledge to be a president for all Americans, understanding that children and families all across the country face similar challenges with child care access, affordability, and quality – regardless of what state they call home.

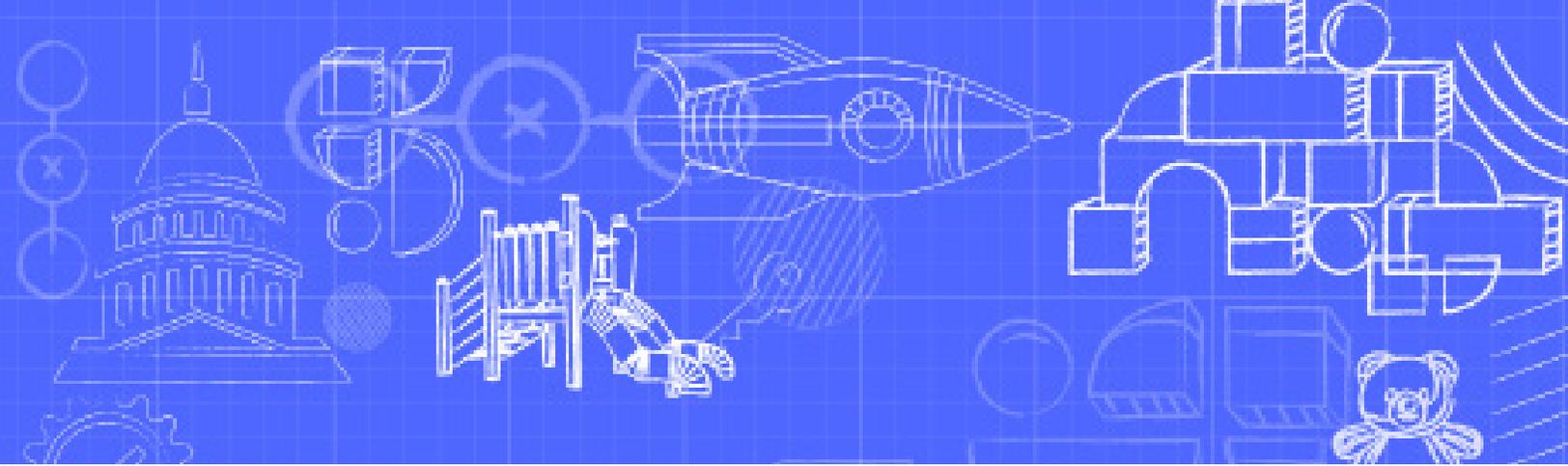


Even as bitter partisanship and political polarization have grown more extreme in recent years, there is overwhelming bipartisan support for action on child care and early learning – with virtually no political risk for members of either party, according to our years of polling. What’s more, Republicans and Democrats have made tremendous progress in states across the country and on Capitol Hill in recent years, working together to increase investments in crucial programs and to find meaningful solutions that advance affordable access to quality early learning.

When it comes to ECE, it’s clear no one program or policy is a silver bullet. Federal investments provide the crucial foundation for state and local investments, while giving state policymakers flexibility to design programs and use funds in ways that meet the specific needs of their states. This foundation also enables states to focus additional investments on their specific needs and priorities, which differ across states. Whether strengthening existing programs or pursuing new and innovative approaches, a range of solutions will be required to address a range of needs now and into the future.

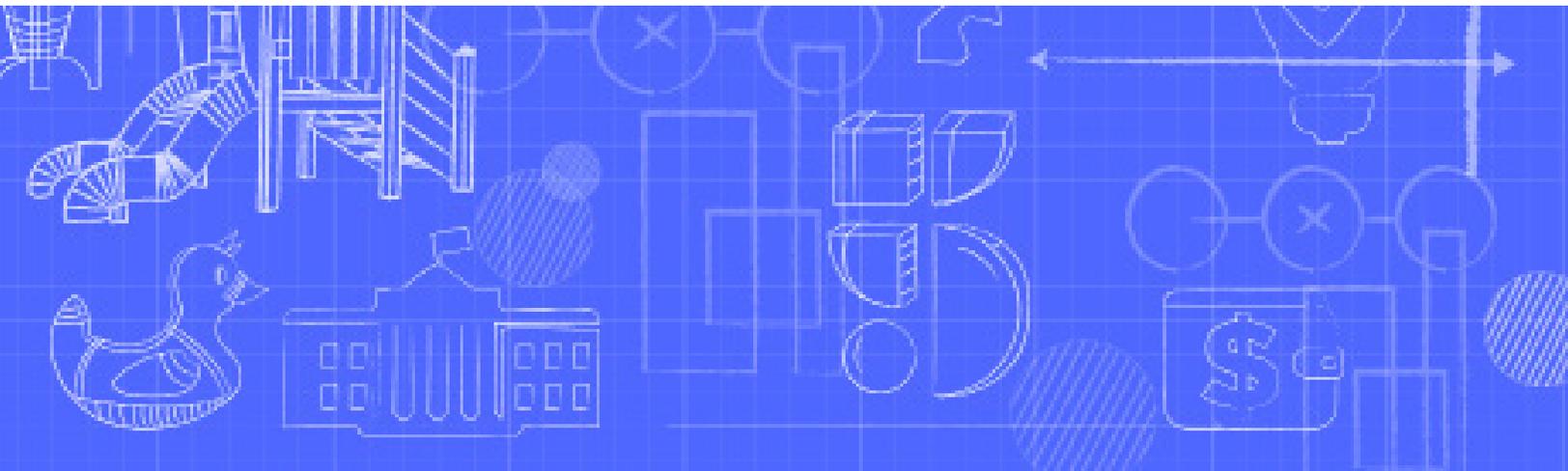
As such, this resource serves as a Blueprint for the new Congress and Biden administration with ECE policy opportunities, big and small, that can take us from where we are to where America needs to be. It’s a detailed overview of the ways to immediately begin addressing the child care challenges America’s families are facing, most notably those related to access, affordability, and quality. It also details the political rationale for prioritizing child care and early learning early in the Biden administration and the 117th Congress and reinforces the tremendous need for action at the federal level. For more information, visit [FFYF.org/Blueprint](https://ffyf.org/Blueprint).





# THE NEED

- ▶ Access
- ▶ Affordability
- ▶ Quality



# The Need



Child care is not a luxury for American families – it’s a necessity. Yet for too many parents, finding and affording high-quality early learning and care opportunities for their children is an arduous, if not impossible task. The consequences of the nation’s child care challenges are pervasive and far-reaching, with short- and long-term harmful effects on children’s development, family economics, racial and gender equity, and our economy as a whole. There is a tremendous need for federal policymakers to find meaningful, sustainable solutions to address three main areas with which parents most often struggle in finding care options that meet their family’s needs. These areas remain consistent:



**Increasing Access to High-Quality Care: addressing supply challenges by providing parents with options;**



**Making Child Care More Affordable for Working Families: ensuring the cost of care doesn’t preclude participation; and**



**Supporting the Quality of Care, Including a Highly-Qualified Workforce: building on decades of research to elevate the paramount importance of quality care.**



# Increasing Access to High-Quality Care



Access to high-quality child care is essential to our nation's success – people need safe learning environments for their children so they are able to work or attend school. High-quality early childhood education (ECE) can occur in [any number of settings](#), including publicly- or privately-funded classrooms, home-based settings, and care provided by trusted individual caregivers. The population we strive to reach is varied with social, geographic, cultural, and work-related differences – high-quality early learning and care experiences must therefore come in diverse shapes, sizes, and designs to meet the varying needs of the populations they aim to serve. Unfortunately, the supply of child care often doesn't meet the demand, whether there simply aren't enough slots, or, where care is available, parents can't afford it, don't know how to find it, struggle with access to the appropriate setting for their family, or the hours available don't match their work schedules.

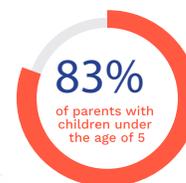
The COVID-19 pandemic has further exacerbated these challenges. Many providers, who under normal circumstances operated on razor-thin margins, were required to close, or significantly change their capacity, for health and safety reasons, placing tremendous strain on their budgets. Even after initial closures, rising costs for cleaning supplies, facility improvements, and additional staff – coupled with declining enrollment – have devastated child care providers. In an August survey from the [Bipartisan Policy Center](#), 44% of parents reported that the lack of child care resources was a barrier to their remote or in-person work. And according to a [U.S. Chamber of Commerce Foundation survey](#), approximately one in five working parents are unsure if they will be able to return to their pre-pandemic work situation because of the lack of child care, which has significant financial implications for families, our businesses, and our economy.

Consider the following:



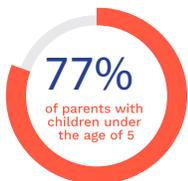
- **According to FFYF's polling, 84% of voters say the COVID-19 crisis has shown us how essential it is that we build a child care system that makes care available and affordable to all families who need it.**

- [More than half of American families](#) with young children live in a child care desert, areas with more than three young children for every one licensed child care slot.
- **Where care is available, because providing child care costs more than most families can afford, there is an imbalance between supply and demand. Parents of young children particularly experience this mismatch with [83% of parents with children under age 5](#) saying that finding affordable care is a challenge.**





- This supply and demand market failure is especially problematic because it affects children in their formative years when their experiences are shaping the cognitive, language, and socio-emotional skills that influence future learning.



- **Additionally, 77% of parents with children under age 5 reported negative impacts on their careers because of a lack of affordable, reliable care. And in areas where child care deserts exist, on average, maternal labor force participation is 3% lower than those where there is an adequate supply of child care.**

- Taken together, the inability to access care significantly impacts our economy as a whole. In their attempts to measure economic activity losses related to breakdowns in child care, Georgia, Indiana, Louisiana, Maryland, and Washington each found a loss of over \$1 billion annually. Building on this work, the [U.S. Chamber of Commerce Foundation](#) partnered with the business communities in Idaho, Iowa, Mississippi, and Pennsylvania and their early education partners to understand how much breakdowns in child care cost each state. The amounts ranged from \$479 million in Idaho to \$3.47 billion in Pennsylvania based on factors like employee absences and turnover and postponing education or training opportunities due to lack of child care.

There are additional barriers to care for parents who need services during non-traditional hours or services for children with disabilities or complex health needs.

- Non-standard hour care can be challenging to provide. Given the variable nature of the hours, providers may face logistical hurdles to offering the care, including meeting specific regulations and finding staff for those hours.
- According to [Child Care Aware of America](#), there are millions of children under age six who have either a disability or complex health need. Children with special needs and their families often require various supports during the crucial development that occurs during the early years, but finding child care that matches their needs is daunting.
- According to the [Urban Institute](#), the costs that providers may incur to provide adequate services to children with special needs is prohibitive. Costs include additional staff who may need specific training, equipment, and/or facility improvements. And while research shows that inclusion can be cost-effective, smaller providers often have limited ability to cover upfront costs. As a result, many families turn to family, friend, and neighbor care – and rely on fewer hours of child care a week.



# Making Child Care More Affordable for Working Families



Child care is one of the largest expenses families face each month, often exceeding the cost of housing and college tuition. Because high-quality care is an expensive, specialized service for providers to deliver, they must strike a hard balance between charging fees that are affordable but also high enough to generate revenue. Unlike K-12 education, which is free and available to all children beginning in kindergarten, child care and early learning expenses for children from birth through age five overwhelmingly are the responsibility of parents. Subsidies are available for low-income families, however, they reach just a fraction of those who need them. Further, federal and state income eligibility limits mean that many working families earn too much to qualify for assistance, yet not enough to afford quality care on their own. Too often, parents find themselves in the unfathomable situation of needing and wanting to work to provide for their families but not being able to afford the child care that would allow them to do so. This is a fundamental flaw in a market that provides foundational support to the American economy.

Consider the following:

- According to [Child Care Aware of America](#), in 2018, the average annual cost of child care was \$9,167,<sup>1</sup> which is approximately \$764 a month. This means that on average, **two-income families paid 11% of their income for child care, and in single-parent households, 95% of parent income goes to child care.**
- Additionally, in [40 states and the District of Columbia](#), the cost of child care for two children exceeds average mortgage costs.
- In [30 states and the District of Columbia](#), one year of center-based care for an infant is more expensive than a year at a four-year public college. Meanwhile, the years when parents have children from birth through age five is often when they earn the least in their lifetimes.



- Brandeis' Institute for Child, Youth, and Family Policy conducted a [study](#) that found that **63% of full-time working parents would have a hard time paying for market-price full-time care. For low-income parents, that percentage balloons to 95%.**



- Despite the high cost of care, in FY2015 the Administration for Children and Families calculated that only [1 in 6 eligible families received subsidies](#). Under federal eligibility guidelines:
  - 13.6 million children were eligible for a subsidy
  - 8.4 million were eligible under state rules
  - 2.1 million actually received a subsidy

1. This is an “average of averages” methodology, which takes the average price for infant, toddler, and four-year old care across the country at center- and home-based care and averages those together. This is an imperfect measure as it ignores regional differences, but it serves as a reference point.





- While families with higher-incomes [spend more on child care overall](#), families with lower-incomes spend a higher percent of their income on child care.
- For many, family child care is a more affordable and flexible option for child care. Yet, between 2010 and 2018, the supply of family child care homes has [declined by 20.4%](#), which leaves fewer, often more expensive choices for working parents.
- According to an Economic Policy Institute (EPI) survey, parents currently spend about [\\$42 billion](#) on early care and education. Current public spending is about \$34 billion. Additionally, EPI estimates a high-quality system where care is available to all families and teachers are appropriately compensated would require an annual investment of \$337 to \$495 billion.
- Parents forgo about [\\$30-35 billion in income because the current high cost of ECE leads many parents either to leave the paid labor force or to reduce their paid work hours to care for their children.](#)





# Supporting the Quality of Care, Including a Highly-Qualified Workforce



Access to affordable and reliable child care is critical for working families, offering parents better job stability and overall economic security. But thinking about child care as a benefit to working parents without considering the potential impact on children is not just a wasted opportunity—it also potentially poses risks to a child’s healthy development. The [overwhelming evidence](#) shows that high-quality early learning and care offers wide-ranging short- and long-term benefits for children socially, emotionally, and academically, while low-quality care can be harmful to a child’s development. High-quality early learning and care programs begin at birth in a safe, language-rich environment with age-appropriate curricula and stimulating materials; incorporate health and nutrition; and have low teacher-to-child ratios with highly qualified teachers.

Further, high-quality early learning and care opportunities lay the foundation for school readiness, ensuring children enter kindergarten prepared to learn and succeed and helping to avoid devastating achievement gaps that can be difficult and expensive to close as they transition to a K-12 setting.

- Safe and developmentally appropriate environments are fundamental to high-quality early learning, however, a [2015 Department of Health and Human Services study](#) identified a need for improvement in one or more health and safety categories, such as exposed electrical outlets, broken fences, and water damage, in the majority of child care programs inspected.
- Because the brain is most flexible and adaptable during the earliest years of life, [enriching experiences in these early years support children’s healthy development and enhance learning](#). Development is rapid and cumulative, and early progress lays the foundation for future learning.
- In contrast, children who face greater adversity are at [far greater risk](#) for delays in their cognitive, language, or emotional development. High-quality early learning programs that provide supportive, responsive relationships with caring adults can help mitigate the impacts of these adverse experiences.
- Low-quality child care [is shown](#) to exacerbate the adversity and sustained toxic stress children face, which is often associated with living in poverty, and the amount of time children spend in low-quality care arrangements is related to elevated levels of externalizing behavior problems.
- In addition to short-term gains, the “Lifecycle Benefits of an Influential Early Childhood Program” study [found](#) that **high-quality birth-to-five programs for children from under-resourced communities can deliver a 13% per year return on investment through better outcomes in education, health, social behaviors, and employment.**



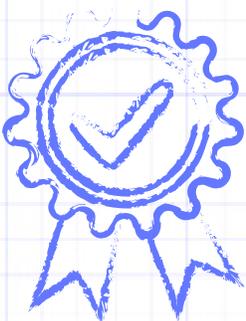
- Further, Nobel Laureate James Heckman [found](#) that children in high-quality settings had significantly better life outcomes than those who received lower-quality care. **Children from low-income families in low-quality settings experienced reduced health outcomes and earned lower wages later in life** than those who attended quality programs or were able to stay home with a parent or family member.

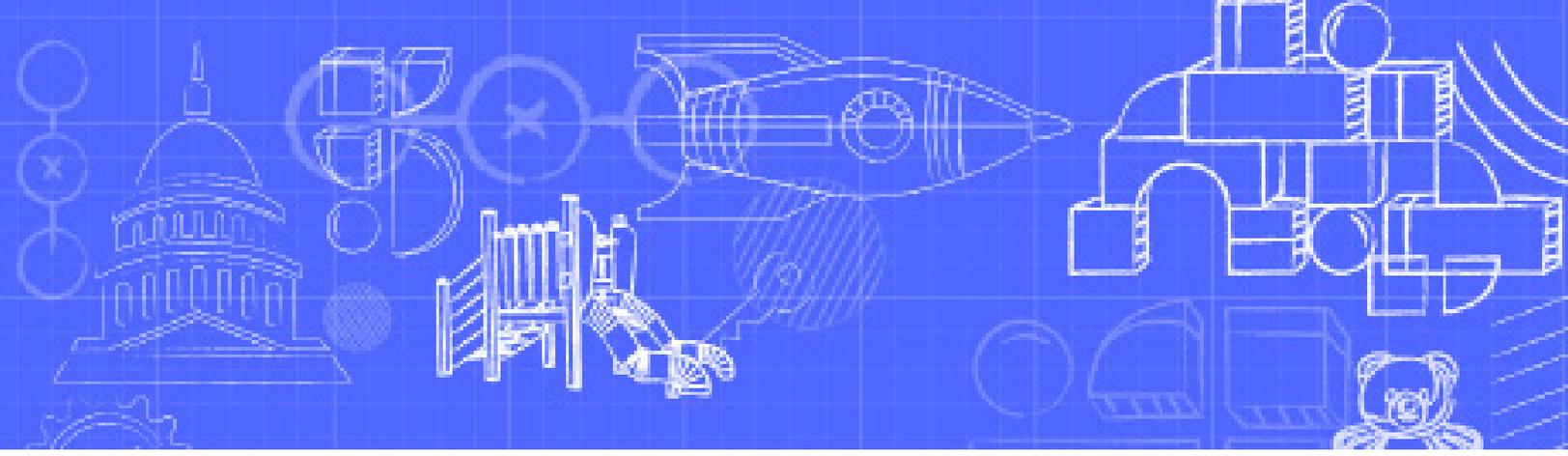
Well-qualified early childhood educators are a vital component to providing high-quality early learning and care opportunities for children from birth through age five. Education and training, as well as ongoing professional development, are key to an educator's success, and as such they are increasingly required, but these requirements come with little financial incentive or support.

**Additionally, the labor-intensive nature of caring for infants, toddlers, and preschoolers means that [quality care costs more](#) than education for older children.**

With so many fixed costs and to avoid compromising quality by reducing the number of staff, programs may reduce the cost they can control, compensation, to make tuition “affordable.”

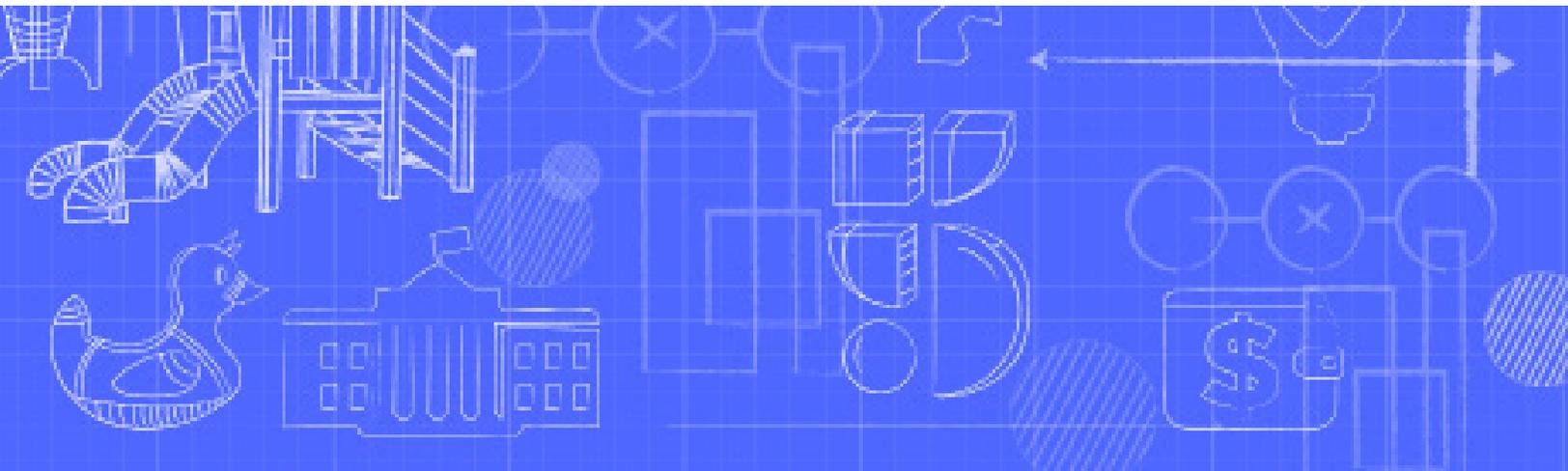
- An estimated 160,000 openings for child care workers [is projected](#) each year over the next decade due to retirements or changing occupations.
- **Prior to the pandemic, there were 1.1 million people employed in the child care sector, with a median annual income of only \$24,230, around \$11.65 per hour.**
- **Since February, the child care industry has lost more than 170,000 jobs, which still have not been recovered.** In February 2020, the [Bureau of Labor Statistics](#) reported 1.04 million employed in the child care sector. That number dropped dramatically to 668,000 in April, and preliminary data indicates that number had rebounded somewhat to 867,2000 by December.
- A recent [paper](#) looking at racial wage gaps in the early education system found that **more than 90% of early childhood educators are women, 40% of whom are women of color. Educators of color are more likely to be at the lower end of the wage continuum, even when controlling for education level.**

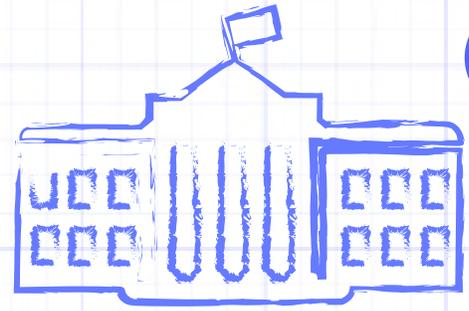




# SOLUTIONS

- ▶ Administrative Actions
- ▶ Program Reauthorization
- ▶ Prioritize and Sustain Funding
- ▶ Harnessing Additional Opportunities





## Administrative Actions

The Executive branch has a considerable role to play in maintaining and growing the design and management of federal early care and education programs. This includes elevating the issue as a priority at all levels and as a partner with Congress, executive branch agencies, state and local governments, families, providers, and other stakeholders.

- **Early Learning and Care Prioritization and Integration.** The establishment of a White House Office of Early Learning (Office) (or a similar coordinating structure within the Domestic Policy Council) would not only be a signal of prioritization, but more importantly serve as a hub for spearheading ways in which the administration can make progress in tackling the care issues families face. The Office would be responsible for working with executive branch agencies, state and local officials, Congress, and stakeholders. Additionally, the Office should be empowered to provide leadership throughout the executive branch in establishing policies, priorities, and objectives for a comprehensive effort to improve access to affordable, high-quality early learning experiences, in addition to sustainability of the overall care system. One of the first tasks the Office takes on should be to build upon existing interagency coordinating structures and convene a federal early learning interagency policy board. Bringing the best minds from across government and with different perspectives – from Treasury to Housing to Labor to Education to the Small Business Administration and beyond – is critical to surfacing creative and innovative approaches.
- **Removing Barriers and Promoting Innovation.** Working collaboratively with states, communities, and providers, the administration can identify and remove potential federal barriers that hinder service delivery; build partnerships in service to efficiency, efficacy, and reach; and promote innovation. The Administration for Children and Families (ACF) could explore opportunities to better align early learning programs, policies, and support functions. Eliminating barriers to resources and supporting efforts to ensure best practices are implemented across the field and programs allows for continuous improvement and expanded reach. Program integration, like that seen in the Preschool Development Grant Birth through Five (PDG B-5) program and Early Head Start-Child Care Partnerships, tests models of integrated service delivery, creates efficiencies, and ultimately serves more children. Going forward, the administration should look for similar opportunities to seed and test solutions through innovation on the ground.

# Program Reauthorization



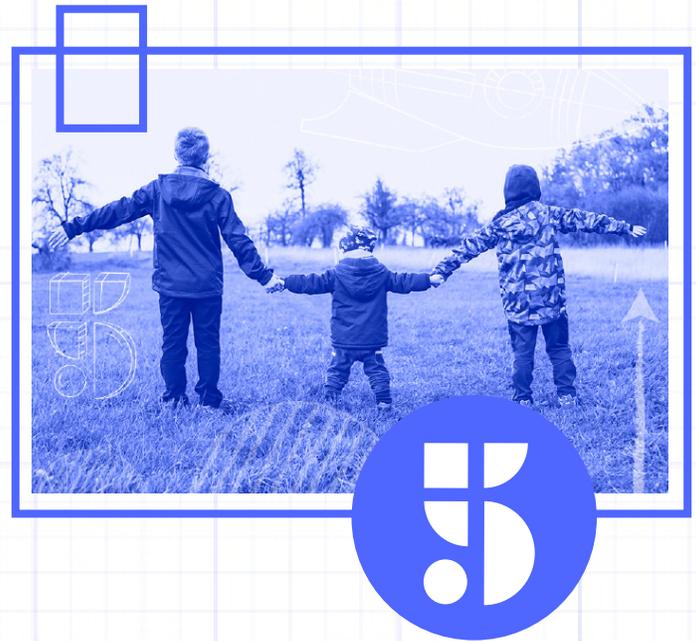
Every major early learning program is due for reauthorization, which presents an opportunity for Congress to examine how the laws are meeting current needs, to learn from the past several years, and to make improvements. It is also a chance for Congress and the administration to more fully address potential ways in which the federal early learning programs are working together; how they can more equitably and adequately undergird a system of care and education; and how to best support states, communities, programs, and families across the country.

A 2017 Government Accountability Office [report](#) reviewed the field of early learning and care programs and addressed the efficacy and intentional targeting of the federal mixed-delivery system. Noting that families have multiple needs that may require more than one type of service, the report highlights the importance of the varied approaches and how coordination of these programs can expand their reach. For example, the two largest programs, Head Start and the Child Care and Development Block Grant (CCDBG), were created with different goals in mind: Head Start is focused on supporting children's early development by offering comprehensive, community-based services, while CCDBG subsidies were created to support parents' involvement in the workforce. Families can use both, however, to ensure full-day, year round access to affordable, high-quality care. These targeted programs are essential components of an effective mixed-delivery system that places high importance on parental choice and providing developmentally-appropriate education and care that addresses children's individual needs. Future reform efforts should build on these existing programs, meeting states and localities where they are. Standards for quality should remain high, and sufficient supports should be in place to offer providers opportunities for continuous improvement.



**Child Care and Development Block Grant Act of 2014 (CCDBG).** The CCDBG Act provides federal funding to states for child care subsidies for low-income families with children under age 13. The CCDBG Act combines two funding streams, discretionary funds appropriated for CCDBG and entitlement (mandatory) funds under the Social Security Act, and allows for flexibility to pair state and federal funds to improve the overall quality of child care available to families within existing state and local systems. The 2014 bipartisan reauthorization of the CCDBG Act made significant changes to improve the overall quality of care available and to make it easier for parents to find and maintain high-quality care. States continue to implement quality improvements, while responding to the care needs resulting from the COVID-19 pandemic. Any reauthorization must take stock of the realities facing families and, in the face of lost revenue and increased operating costs, the ability for states and providers to continue to serve families safely. With these issues in mind and with the goals of including more families, making it easier for providers to participate, and improving the quality of care, reauthorization should:

- Expand eligibility by revising income restrictions and ensure states maintain discretion in waiving copays for families.
- Identify ways to serve families in need of care during non-traditional hours.
- Incentivize providers' participation in CCDBG, particularly family child care providers, including increases in reimbursement rates and assisting with the creation of networks that connect providers and allow them to share resources and work collaboratively.
- Reduce barriers to participation by assisting with or streamlining administrative tasks related to accepting subsidies.
- Address the need for mental health services for children and families.
- Support efforts to expand quality through more unified data systems and standardized data collection at the state and national levels that provide reliable information that is publicly available in a timely manner. These data will contribute to accountability and help to inform advocacy, planning, and resource allocation.
- Consider extending or making permanent flexibilities created in response to COVID-19, including allowing payments based on enrollment rather than attendance.





**Head Start Act.** The Head Start program, including Early Head Start, promotes school readiness of children from birth through age five from low-income families through education, health, social, and other services. The program exemplifies how early learning and care programs must support the whole child and can be adapted to meet the unique needs of a community. Head Start programs across the country are working to implement updated Head Start Program Performance Standards (HSPPS) published in 2016 that will serve to expand high-quality care. Reauthorization of the Head Start Act should be informed by these implementation efforts and explore ways to maintain the core of the Head Start program while increasing access for the nation's most vulnerable children and families, especially for infants and toddlers. Additionally, reauthorization should:

- Assess community and program needs as it relates to the number of children served by Head Start and Early Head Start programs, compared to the unmet need.
- Authorize the [Early Head Start-Child Care Partnerships](#) program and draw from the past three years of implementation.
- Explore ways to create a more seamless continuum of care by linking Early Head Start more closely to other early learning programs, specifically the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program.
- Infuse trauma-informed care into all Head Start services.
- Support community partnerships, for example those between Head Start and institutions of higher education as a way to imbed a professional development system within high-quality early learning.

**Temporary Assistance for Needy Families (TANF).** Under current law, a state has the flexibility to utilize TANF funds to support low-income families through increased access to child care and early education opportunities, which allows parents the freedom to enter or return to the workforce. Reauthorization should explore ways to better:

- Reinforce the connection between federal funding and quality programs including:
  - Expanding states' ability to use TANF dollars to increase the reach of CCDBG.
  - Maintaining states' ability to direct TANF dollars to their own high-quality early learning and care initiatives.
- Identify ways to build and sustain child care funding to support TANF families, including increases to mandatory CCDBG funding to provide greater consistency to states and ensure sustainability, as well as increased discretionary funding to grow the number of families who receive subsidies.
- Ensure states are supplementing rather than supplanting their own spending with TANF dollars.





**Maternal, Infant, and Early Childhood Home Visiting (MIECHV).** MIECHV provides federal funds to states for voluntary, evidence-based home visiting services. Voluntary home visiting programs, like those made possible by MIECHV, pair families who often have limited support and resources with trained home visitors such as nurses, social workers, and educators. Home visitors meet with parents in their homes from pregnancy through their child’s kindergarten entry to help lay the foundation for the health, education, development, and economic self-sufficiency of the entire family.

In reauthorizing MIECHV, Congress should:

- Rely on the input of the home visiting models eligible for MIECHV funding to understand if and how the law should be revised.
- Expand the program, which based on pre-pandemic estimates, reaches 3-5% of eligible families each year, by scaling up funding with increases of \$200 million annually over the next 5 years, arriving at \$1.4 billion.
- Ensure ongoing pandemic-related support and flexibility, including \$100 million for MIECHV to facilitate virtual home visits.
- Explore ways to incorporate MIECHV into the continuum of care in federal programs, for instance by linking MIECHV to Early Head Start and to efforts to address the [maternal mortality crisis](#), which disproportionately impacts women of color, and [the opioid epidemic](#).

**The Every Student Succeeds Act (ESSA).** ESSA reauthorized the Elementary and Secondary Education Act and prioritizes equal access to education and closing opportunity gaps—issues that originate before children enter the K-12 system. Recognizing the importance of ECE in ensuring children are prepared for kindergarten and do not fall behind later in life, for the first time, the nation’s comprehensive K-12 education legislation incorporates early learning across the law, including the first-ever dedicated funding stream for ECE, the Preschool Development Grant Birth through Five (PDG B-5) program. Key among these changes, [ESSA provisions](#) focus on promoting early learning coordination within communities; greater alignment with the early elementary grades; and building capacity among teachers, leaders, and other staff serving young children.

As it relates to early learning, reauthorization should:

- Assess burdens states and state education agencies are facing, particularly the likely loss of funding due to declining state revenue, the need for ongoing remote learning, and efforts to address learning loss.
- Look to the strategic plans produced by the initial 46 PDG B-5 grantees, as well as the experiences of the 23 states that received renewal grants, for guidance on how to improve early learning in the P-12 context. [Additional recommendations for the PDG B-5 program appear in the “Harnessing Additional Opportunities” section below.]
- Consider how ESSA can be further leveraged to expand early learning opportunities for children from low-income families and ensure children start kindergarten on an equal footing.

**The Education Sciences Reform Act (ESRA).** ESRA is an important support to all education programs. In the case of ECE, data use plays a vital role in establishing policies and practices that improve child outcomes. Reauthorization can:

- Address the national need to improve early learning data access and use within states, as well as to align with ESSA.
- Ensure data sharing through linked systems and coordinated collection efforts in order to use data effectively for decision-making, research, and continuous improvement.
- For more details, see FFYF's [recommendations](#) for the reauthorization of the ESRA.

**Individuals with Disabilities Education Act (IDEA).** IDEA Part B covers special education for children and youth with disabilities between the ages of 3 and 21. IDEA also contains two programs specifically designed to serve younger children with disabilities: IDEA Part C, which authorizes federal funding for early intervention services to infants and toddlers with disabilities ages birth to three years; and IDEA Part B, Section 619, which authorizes supplementary grants to states for preschool programs serving children with disabilities ages three through five. Early Intervention (EI) through IDEA Part C is a critical component of high-quality early childhood programs mitigating the negative effects of certain biological and environmental factors on child development. It is of paramount importance that a strong system of shared responsibility for children with developmental delays and/or disabilities is implemented at the state and local levels. Coordination between Part B and Part C must be strengthened to ensure children receive services during the preschool and early childhood years and successfully transition to kindergarten. Additionally, IDEA reauthorization should:

- Meet the needs of infants and toddlers nationally, including developmental screenings, helping families navigate the system, ensuring adequate reimbursement, and incorporating more mental health expertise and services.
- Build strong coordination between Part C and Part B services to ensure students with developmental delays and/or disabilities are served during the early childhood years and to minimize disruption in the services children receive as they transition to preschool and kindergarten.
- Enhance EI efforts that provide classroom-based instructional strategies and supports for children with developmental delays and/or disabilities within the general education classroom.
- Provide greater financial and other supports to states and local agencies to increase the number of professionals specifically trained to provide high-quality EI services to infants and toddlers and their families.





**Higher Education Act (HEA).** Given the overwhelming evidence showing a teacher’s education and training is crucial to the quality of an ECE classroom, reauthorization of HEA presents an opportunity to positively impact child outcomes by strengthening and expanding the ECE workforce. Key areas of prioritization should:

- Strengthen teacher preparation, which will build on [national efforts](#) to improve early childhood educator effectiveness. Improving educator preparation will ensure early learning teachers have the knowledge and tools they need.
- Ensure communities are able to recruit and retain early childhood educators by investing in financial assistance and supports necessary for new and existing teachers to attain specialized early childhood training and skills.
- Maintain the current federal loan forgiveness program for early childhood educators and consider enhanced incentives for early childhood educators to take advantage of loan forgiveness opportunities. The TEACH Grant program and other incentives designed to attract high performing students to the teaching profession should recognize ECE as a high-need field.
- Promote access and completion by supporting programs that help student-parents achieve postsecondary success, including reauthorization of the Child Care Access Means Parents in Schools (CCAMPIS) program. The ability to access high-quality child care for undergraduate students with children is one of the many factors that can determine whether a student persists and graduates.
- For more details, see FFYF’s [recommendations](#) for the reauthorization of the HEA.



**Child and Adult Care Food Program (CACFP).** Authorized as part of the Child Nutrition Act, CACFP provides critical food supports to children and families enrolled in early childhood programs. Nutrition plays a key role in a child’s ability to learn and thrive, and early learning programs are often the most efficient delivery for such assistance. As such, reauthorization could:

- Eliminate participation barriers for programs and providers by reducing CACFP paperwork, expanding direct certification, and reforming the reimbursement system for family child care providers.
- Maximize the program’s potential by increasing reimbursement rates to fully cover the cost of meals.
- Permit three meals per day in early learning and care settings with extended and/or nontraditional hours.
- Consider extending or making permanent flexibilities created in response to COVID-19, including allowing meals to be served outside of standard meal times and outside of the standard group setting.

# Prioritize and Sustain Funding



The federal government is an integral player and partner, providing the lion's share of funding to support and undergird the care and education of children in this country. Even before the pandemic and after significant bipartisan investments in federal early learning programs, they served only a fraction of eligible children and families.

Since March of 2020, Congress has taken important steps to stabilize the child care industry and provide targeted relief for child care providers who have faced significant increases in overhead expenses paired with ongoing declines in revenue. This relief comes on top of annual appropriations funding for federal early learning and care programs, which is essential for these programs to continue to serve children from low-income families and meet their statutory and regulatory requirements. Still, as the country moves toward economic recovery, both targeted stabilization dollars and increased annual appropriations funding will be vital to the sustainability of our nation's child care system and ensuring families have the care they need to go to work.

- **Maximize Impact through Annual Appropriations.** The two largest sources of federal funding for early learning and care, the Child Care and Development Block Grant (CCDBG) and Head Start, serve only 15% and 31% respectively of eligible families. In addition to this unmet need among eligible families, many working families earn too much to qualify for assistance, yet not enough to afford quality care on their own. Without additional funding to provide subsidies to all eligible families and changes to income restrictions to open the door to families for whom care is financially out of reach, we won't truly tackle the needs of children and families. Congress must consistently craft a budget that provides support for non defense discretionary (NDD) programs and provides subcommittees with increases in their allocations commensurate to the size of their bills, so that programs can adequately serve children and working families. Further, the COVID-19 pandemic has pushed an already-struggling child care industry to the brink of collapse. While Congress has provided supplemental appropriations for existing federal programs in two relief packages, child care must remain a priority in any future COVID-19 response package, as well as in the appropriations process, to ensure the long-term recovery of both the child care industry and the economy as a whole. This includes new funding to address long-standing inadequacies in child care facilities and facility modifications prompted by COVID-19, among other areas of need, as well as increased funding for existing federal early learning programs to extend their reach and ensure the success of proposed reforms.
- **Sustained Investments through Mandatory Funding.** While increased appropriations continue to be critically important, fortifying the system by exploring additional financing opportunities, including expanded mandatory federal funding, is a worthwhile endeavor. This is particularly true given the range of interest across multiple committees of jurisdiction in Congress. Expanding CCDBG eligibility and increasing mandatory funding to expand access to child care assistance for those who are eligible would be an important step toward making work pay for all families. Further, increasing mandatory CCDBG funding and waiving state match requirements for the additional funds would provide sustained and predictable support to states.



- **Leverage the Tax Code to Work for Families.** Congress should consider how changes to the tax code can provide relief for families struggling with the cost of child care. The economic case for using the tax code to provide relief for families struggling with child care costs is straightforward. According to [Alan D. Viard](#), resident scholar for federal tax and budget policy at the American Enterprise Institute, “If workers are taxed on their wages, they should receive tax relief for the costs they incur to earn the wages, just as businesses deduct the costs of earning the income on which they pay tax. There can be little doubt that child care costs are tied to work.” The Child Tax Credit and the Earned Income Tax Credit benefit many families with children, however, the only provision in the tax code created specifically to help families with the cost of child care is outdated and not available to most low-income families.
  - The [Child and Dependent Care Tax Credit](#) (CDCTC) was designed to help working parents with the cost of work-related child care expenses. The credit varies between 20 and 35% of qualified expenses up to \$3,000 per eligible child with a cap of \$6,000. That means the maximum credit for working parents with two or more children is \$2,100, or only about 10% of the average annual cost of care for two children in the United States. Additionally, the credit is not refundable, so most low- and some middle-income tax-paying families with qualified expenses are unable to take advantage of the credit. The credit’s expense limits are also not indexed for inflation, so even as child care expenses have risen sharply since 2001, the value of the CDCTC has remained frozen in place. Strengthening the CDCTC by expanding it and making it refundable will help working families who are struggling with the rising cost of quality child care, benefiting the workforce of today and tomorrow.
  - Additionally, Congress should look at ways to leverage other existing tax provisions, as well as creatively review ways in which the tax code can directly assist families with respect to care and education, including:
    - Growing the American Opportunity Tax Credit and allowing it to be used for quality education programs for children under the age of five;
    - Creating a Dependent Care Assistance Program proposal that includes higher limits and incentivizes employers to contribute more to employee accounts;
    - Creating a refundable payroll tax credit for employers who pay eligible employee dependent care benefits; and
    - Providing a refundable payroll tax credit for child care providers who have suffered a reduction in revenue due to COVID-19 for mortgage and rent obligations and utility payments.

# Harnessing Additional Opportunities



This is a time of unprecedented effort by federal, state, and local leaders and lawmakers to ensure that more families have access to affordable, high-quality early learning opportunities. While the pandemic has revealed the cracks in the foundation of our child care system, it has also made plain how essential it is for the future success of our country. As we begin to rebuild, Congress has numerous avenues to address these underlying issues and to develop a system that works better for families and providers alike, whether by looking to existing programs to identify solutions or seeking new opportunities and policy solutions.

- **Using Existing Federal Programs to Identify Solutions.** Among the range of existing federal programs, two are already helping states to innovate and meet local needs by capitalizing on existing resources: [the Preschool Development Grant Birth through Five \(PDG B-5\) program](#) and [Early Head Start-Child Care Partnerships \(EHS-CCP\)](#).
  - **PDG B-5** was authorized as part of the bipartisan Every Student Succeeds Act (ESSA) to empower nearly all states to increase the quality and efficiency of existing early learning programs and systems, while also reducing fragmentation and overlap of program supports. This work will be all the more important as states recover from the pandemic. As part of PDG B-5, grantees are specifically asked to: align existing programs; maximize parental choice; build on the success of existing programs; foster partnerships among key stakeholders and programs; and during the implementation phase, consider how to use monitoring and data for continuous improvement. PDG B-5 affirms both the importance of early learning in advancing equal access to education and the central role of states in leading early childhood coordination and quality efforts.
  - The strategic planning and needs assessment work grantees have already conducted provides states with a thoughtful roadmap to strengthening their early childhood systems. However, much work remains in every jurisdiction to achieve the program's ambitious vision and important goals. A revised and expanded PDG B-5 that takes into account what was learned through these state-led efforts would help move this work forward, ensuring states are supported and have the resources to work toward implementation. For example:
    - **Make Renewal Grants to Additional States.** All unfunded states that: (1) completed the one-year needs assessment and strategic planning process; and (2) submitted high-scoring renewal applications should receive three-year renewal grants. Many states submitted high-scoring applications that feature vitally important unfunded projects, but past PDG B-5 appropriations were insufficient to support them.
    - **Expand Renewal Grant Reach.** Existing renewal grantee states identified valuable ideas in their strategic plans that they were unable to fund through their renewal grants because: (1) the concepts did not align well with program requirements; (2) the grant did not provide sufficient funding for all elements of the strategic plan; and/or (3) the pandemic dramatically set back funded projects. The process should be opened to allow existing renewal grantee states to seek funding to supplement their applications and should ensure that FY2022 funding is large enough to accommodate this need.



- **EHS-CCP** builds on the existing strengths of Early Head Start and Child Care and Development Fund (CCDF) subsidies. Through grantee partnerships with the array of local child care providers, the partnerships maximize program funding to expand access to high-quality child care and comprehensive supports for infants and toddlers from low-income families. EHS-CCP provides an avenue for expanding access to quality care while maximizing the effectiveness of federal funding by extending the same quality of care provided by Head Start into the array of in-home and center-based child care options. In addition to improving overall quality of care, providers have flexibility to use EHS-CCP funds to pay for supplies, equipment, and facilities improvements; improve compensation, professional development, and training for child care staff; and reduce class sizes and adult to child ratios.

In this way, EHS-CCP's innovative and efficient approach of layering EHS-CCP and child care subsidy funds has been shown to improve the quality of care across communities, benefitting all children in the care of participating providers—not just those receiving subsidies—while also expanding access to these essential services for children from low-income families. Additionally, the child care centers and family child care providers partnered with Early Head Start grantees often offer more flexible and convenient full-day, full-year services for working families and have experience providing care that is responsive to the cultural, linguistic, and social needs of families and their local communities. As part of reauthorization of the Head Start Act, Congress should:

- Expand EHS-CCP with a Focus on Family Child Care. As of spring 2017, only 1,000 family child care programs were engaged in an EHS-CCP, accounting for approximately 4% of nationwide EHS-CCP grantees. Expanding the EHS-CCP, especially in family child care, will allow smaller providers to thrive and ease the burdens that can accompany providing affordable, high-quality care.
  - Address Family Child Care Providers' Perspectives on Partnering with Early Head Start. In a 2018 study, family child care providers stated that the consistency of payments for child care afforded through partnership with Early Head Start resulted in less financial strain and stress about whether families could afford to pay.
- **New Opportunities and Policy Solutions.** The crucial programs and investments that exist at the federal level have made a meaningful difference in the lives of children and families for generations. Yet we know that more must be done to ensure all eligible children have access to life-changing ECE opportunities. Recognizing the needs of American children, families, employers, and child care providers, in recent years Congress has taken an unprecedented interest in finding bipartisan solutions to challenges in early learning and care. In the 116th Congress, [Democrats and Republicans worked together](#) to identify solutions, across multiple committees, to respond to the COVID-19 pandemic, support early educators, elevate quality, improve access and affordability, strengthen existing programs, and support the broader child care industry. These proposals range from comprehensive to targeted and highlight the complex early learning and care needs facing families, children, and educators, particularly due to the COVID-19 pandemic.



- **New Opportunities and Policy Solutions (continued).** Members of the 117th Congress have the opportunity to build on these bipartisan solutions by supporting existing programs like CCDBG, Head Start, and PDG B-5, as well as developing new and innovative solutions to improve access to affordable, high-quality early learning programs for American families. Whether it be bold solutions like the Child Care for Working Families Act, the Back to Work Child Care Grants Act, the Child Care for Economic Recovery Act, or more targeted proposals aimed at addressing individual policy needs, we encourage Congress to engage in robust conversations about how to work together to advance greater opportunities for children, support working families, and bolster our nation's recovering economy. There are a myriad of ways in which Congress can work to address the biggest challenges parents face when trying to find the care they need by increasing access to high-quality care, improving affordability, and ensuring the quality of care.

- **Increasing Access to High-Quality Care**

- States and communities looking to build supply must prioritize building the infrastructure necessary to coordinate and manage the functions essential to the success of child care programs. These critical functions include planning, personnel development, training and technical assistance, program evaluation and continuous quality improvement, ongoing coordination, and communication. Overall, solutions should make it easier for providers to operate without compromising quality.
  - At the state and local levels, existing funds for economic development can be leveraged to incorporate access to affordable, high-quality child care into comprehensive economic development strategies.
  - Businesses should be incentivized to join in public and private investments to develop and support child care in communities. Consideration should also be given to barriers that might prevent employers from being more hands-on in helping employees to access care.
  - Networks and shared services alliances that connect family child providers, allowing them to share resources and recognize economies of scale, can provide essential infrastructure for home-based care. These networks help train, support, and sustain providers through a network of centralized resources, building and maintaining the supply of high-quality care.
- Investments in facilities, ranging from larger scale centers to family child care spaces, are also needed to address gaps in child care availability, particularly in areas considered child care deserts. Likewise, investment is needed to ensure existing facilities are safe and provide a positive learning environment. There is vast opportunity in both the private and public sectors to fill this gap. Tax credits or other incentives could be offered to businesses who provide on-site child care, and grants to states could be used to build or renovate child care facilities, increasing the overall physical capacity to provide safe, high-quality care.



- Drawing on the work states are already doing to provide ECE through their public school systems, additional efforts can be made to extend the reach and improve the quality of preschool programs. Such efforts could include:
  - Providing resources to states, local educational agencies (LEAs), and community partners to address school readiness and achievement, including through the development of full-service community schools, as well as the establishment or expansion of high-quality early learning and care programs.
  - Incentivize LEAs to establish family-friendly school policies that align the school day with the work day to better support working families and support programs and activities during the summer when these services typically are not available.
- **Making Child Care More Affordable for Working Families**
  - As addressed above, increasing mandatory and discretionary funding for existing federal programs and using the tax code to provide relief for parents struggling to afford high-quality care would dramatically increase the number of children who have access to life-changing early learning opportunities.
  - Eligibility requirements could be expanded to incorporate more families, including adjustments to income and work or training requirements. Aligning eligibility requirements and application processes for child care opportunities would also remove barriers for parents seeking care.
  - Looking at more far-reaching changes to the existing system, some have proposed making subsidies available to all families with a sliding scale structure based on families incomes and caps on the maximum amount parents would be required to pay.
  - Direct supports to providers that help them operate more efficiently could help reduce overall costs, allowing providers to reduce fees. This could include technical assistance, streamlining or centralizing administration, tax credits, or access to grants or low-interest loans.
- **Supporting the Quality of Care, Including a Highly-Qualified Workforce**
  - The dire need for qualified ECE professionals and the proven success of programs around the country demonstrate the value of apprenticeships and career pathways to meet the employment demands of the early learning sector.
  - Registered apprenticeships have displayed significant potential for cultivating the child care workforce on a national level, providing “earn as you learn” opportunities to individuals, while also allowing providers to improve the quality and effectiveness of their staff.
  - Connecting students to hands-on opportunities even while in high school contributes to greater completion rates and opens the door to a credential or degree. To make the most of these opportunities, states should incentivize two- and four-year colleges to develop articulation and transfer agreements to facilitate the completion of a bachelor’s or advanced degree in early childhood or a related field.