

Early Learning and Care in Proposed COVID-19 Response

JUNE 2020

Recognizing the essential role of child care -- its proven benefits to a child's learning and healthy development and its support of America's labor market and economy by allowing parents to work or attend school -- the federal response to the COVID-19 pandemic has included assistance to young children, their families, and the child care providers who care for them. [The CARES Act](#) provided funding for existing federal programs that support the care and education of young children, however, the [devastating impact](#) of the economic crisis on the child care industry has made it clear that significant and dedicated assistance will be needed if the child care industry is to survive. This resource compares proposals introduced to address this reality. While the approaches vary, notably, all of the proposals would offer financial assistance to providers to help them continue to operate, including coverage of staff's full salaries and benefits and relief from copayments and tuition for parents, as well as to reopen safely. Some proposals would also facilitate essential workers' access to child care and prioritize access to care for low-income families and others who, even before the pandemic, struggled to find and afford high-quality care. This resource will be updated as new proposals are introduced.

	<u>HEROES Act</u> H.R. 6800 Rep. Nita Lowey (D) Status: Passed the House 5/15	<u>S.Res. 594</u> Sens. Kelly Loeffler (R) and Joni Ernst (R) Status: Introduced 5/21	<u>Child Care is Essential Act</u> H.R. 7027, S. 3874 ¹ Rep. Rosa DeLauro (D) and Sen. Patty Murray (D) Status: Introduced 5/27 and 6/3	<u>Child Care is Infrastructure Act</u> H.R. 7201 ² Rep. Katherine Clark (D) Status: Introduced 6/15	<u>Child Care for Economic Recovery Act</u> H.R. 7327 Rep. Nita Lowey (D) Status: Introduced 6/25
Funding Amount	Child Care and Development Block Grant (CCDBG). \$7 billion. Social Services Block Grant. \$850 million.	"Significant funds" in addition to the \$3.5 billion for the Child Care and Development Block Grant (CCDBG) provided in the CARES Act (whereas clause notes an estimated \$25 billion is still needed to provide minimum sufficient funds).	Child Care Stabilization Fund grant program. \$50 billion.	Infrastructure Grants. \$10 billion for FY21, available through FY25 (caps cost of needs assessments at \$5 million and designates 3% of funds for Indian tribes, 3% for territories, and 10-15% for grants to intermediary organizations).	Child Care Development Fund (CCDF) Infrastructure Grants. \$10 billion over the 2020-2024 period (caps cost of needs assessments at \$5 million and designates 3% of funds for Indian tribes, 3% for territories,

¹ The contents of S. 3874 are included in [S. 4112, the Coronavirus Child Care and Education Relief Act](#), which provides funding for K-12 schools and higher education, in addition to child care.

² The Infrastructure Grants to Improve Child Care Safety provisions of H.R. 7201 are included in [H.R. 2, the Moving Forward Act](#), a much broader infrastructure bill that passed the House on July 1.

				<p>Early Childhood Educator Loan Assistance Program. \$25 million for each of FY21-FY26.</p> <p>Grants for Early Childhood Educators. \$10 million for each of FY21-FY25.</p> <p>Child Care Access Means Parents in Schools (CCAMPIS). \$200 million.</p>	<p>and 10-15% for grants to intermediary organizations)</p> <p>CCDF Entitlement to States. \$7.083 billion (to \$10 billion).</p> <p>Social Services Block Grant. \$850 million.</p> <p>Volunteer Income Tax Administration (VITA) Matching Grant Program - Taxpayer Services. \$5 million.</p>
<p>Intended Use of Funds</p>	<p>CCDBG. Funds are meant to supplement, not supplant State, Territory, and Tribal funds for child care assistance and may be used to prevent, prepare for, and respond to COVID-19, including to:</p> <ul style="list-style-type: none"> • Provide relief from parental copayments or tuition payments, provide continued payments and assistance in the case of decreased enrollment or closures, and ensure providers are able to remain open or reopen; • Provide child care assistance to essential workers, regardless of income; and • Cover the cost of cleaning, sanitation, and other activities necessary to 	<p>Funds would be used for grants to support providers in paying costs associated with closures or decreased enrollment related to coronavirus and to assure providers are able to remain open or reopen as appropriate.</p>	<p>Funds are meant to supplement, not supplant other Federal, State, and local public funds to provide child care services. Funds would be allocated to lead agencies pursuant to the CCDBG Act, who may reserve up to 10% of funds for grant administration; technical assistance and support; publicizing the grant program to providers; and carrying out activities “to improve the supply and qualify [sic] of child care.”</p> <p>Awards would be based on providers’ average operating costs before 3/1/20, adjusted for increased costs due to COVID-19 and for CCDBG, Head Start, and PPP reimbursements.</p>	<p>Infrastructure Grants. Would establish grants to states of up to \$35 million to construct, renovate, or improve child care facilities, including adapting, reconfiguring, or expanding facilities to respond to COVID-19. State grantees would be required to match 10% of funds received.</p> <p>Grants of up to \$10 million would also be available to intermediary organizations with experience in child care facilities financing, for the purpose of providing technical assistance, capacity building, and financial products to develop or finance child care facilities.</p> <p>Early Childhood Educator Loan Assistance Program.</p>	<p>CCDF Infrastructure Grants. Would establish grants to states of up to \$35 million to construct, renovate, or improve child care facilities, including adapting, reconfiguring, or expanding facilities to respond to COVID-19. State grantees would be required to match 10% of funds received.</p> <p>Grants of up to \$10 million would also be available to intermediary organizations with experience in child care facilities financing, for the purpose of providing technical assistance, capacity building, and financial products to develop or finance child care facilities.</p> <p>CCDF Entitlement to States. Would increase mandatory</p>

	<p>maintain or resume operation for eligible providers, even if they were not receiving CCDBG assistance prior to the public health emergency. Lead agencies are encouraged to place conditions on payments to providers to use a portion of their funds to continue to pay staff wages and allowed to delink attendance from reimbursement during the public health emergency.</p> <p>Social Services Block Grant. Funds are meant to supplement, not supplant, state funding used for child care and are intended for providing child and family care for essential workers, including health care sector and emergency response workers and other workers deemed essential by state or local officials.</p>		<p>Grantees would be required to continue to provide staff's full salaries and benefits and provide families with relief from copayments and tuition. Additionally, open providers would be required to:</p> <ul style="list-style-type: none"> • Prioritize slots for the children of essential workers where stay-at-home orders are in effect and other children regardless of whether such an order is in effect; and • Meet health and safety guidance from the Centers for Disease Control and Prevention (CDC) and state and local authorities. <p>Closed providers would be required to hold slots for children enrolled as of 3/1/20 unless their families choose to disenroll and provide an assurance they will reopen their program when they are able to implement health and safety guidance from the CDC and state and local authorities.</p> <p>Funds may also be used (including reimbursement for expenses obligated or incurred) for: payroll, including premium pay, and employee benefits; rent and mortgage payments; utilities; insurance; sanitization</p>	<p>Would establish a loan program for early childhood educators who agree to serve for 5 years with a child care provider that receives or is eligible to receive CCDBG subsidies.</p> <p>Grants for Early Childhood Educators. Would establish a grant program for institutions of higher education (IHEs) with a qualified early childhood educator program) to make competitive grants to students enrolled in such program who commit to serve as a full- or part-time educator in a licensed early learning program for a minimum of 1 year and 4 additional months for each subsequent grant renewal.</p> <p>CCAMPIS. Would reauthorize CCAMPIS and allow for performance bonuses for IHEs that meet or exceed certain performance levels.</p> <p>Choice Neighborhoods Initiative. In providing assistance for FY20 and subsequent years, would direct the Secretary of Housing and Urban Development to consider early care and learning facilities as a neighborhood asset and ensure any metric for evaluating</p>	<p>funding from FY20 to FY24 and temporarily waive the state match for any increased funds above \$2.9 billion,</p> <p>Social Services Block Grant. Funds are meant to supplement, not supplant, state funding used for child care and are intended for providing child and family care for essential workers, including health care sector, child care, emergency response, and sanitation workers, as well as other workers deemed essential by state or local officials.</p>
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Funding Priorities and Eligibility	<p>CCDBG. Assistance is available for eligible providers, regardless of whether they were already receiving CCDBG assistance, for cleaning, sanitation, and other activities necessary to maintain or resume operation. Additionally, essential workers are eligible to receive child care assistance, regardless of income.</p> <p>Social Services Block Grant. Prohibits states from excluding essential workers by requiring a means test for services.</p>	Not specified	<p>Funds would be awarded to qualified providers (who are eligible under CCDBG) with priority given to providers who, prior to 3/1/20, were offering care during nontraditional hours; serving dual language learners, children with disabilities, children experiencing homelessness, children in foster care, children from low-income families, or infants and toddlers; serving a high proportion of children whose families received CCDBG subsidies; or operating in communities, including rural communities, with a low supply of child care.</p> <p>Grants would be equitably distributed among center- and non-center based providers, such that qualified providers may access grants regardless of setting, size, or administrative capacity.</p>	<p>Infrastructure Grants. The Secretary would prioritize states that: plan to improve center-based and home-based child care programs; aim to meet specific needs across urban, suburban, or rural areas; and have collaborated with local government officials, state agencies, nongovernmental organizations, and local community organizations. States would prioritize facilities primarily serving low-income populations, children under 5, or children of essential workers and facilities that are unable to reopen without modifications to ensure the health and safety of children and staff.</p>	<p>CCDF Infrastructure Grants. The Secretary would prioritize states that: plan to improve center-based and home-based child care programs; aim to meet specific needs across urban, suburban, or rural areas; and have collaborated with local government officials, state agencies, nongovernmental organizations, and local community organizations. States would prioritize facilities primarily serving low-income populations, children under 5, or children of essential workers and facilities that are unable to reopen without modifications to ensure the health and safety of children and staff.</p>

<p>Reporting Requirements and Studies</p>	<p>CCDBG. States and Tribes must report to the Secretary, and the Secretary must report to Congress on how funds were spent.</p> <p>Social Services Block Grant. Not specified.</p>	<p>Not specified</p>	<p>Lead agencies are required to report within 60 days of receiving funds, quarterly until funds are expended, and after all funds are obligated. Additionally, the Secretary must provide a final report to Congress. Information included in the reports includes data on the number of child care providers on 3/1/20, of applicants, and of subgrants; breakdown of subgrants by provider type and amounts; and how funds are used.</p>	<p>Infrastructure Grants. The Secretary would conduct an immediate needs assessment of U.S. child care facility conditions during the first grant cycle, followed by a long-term needs assessment within 4 years of the bill's enactment. Grantees would be required to use a portion of funds to report to the Secretary on the impact of the funds within 6 months of the end of the grant period.</p> <p>Early Childhood Educator Loan Assistance Program. Would require a report on implementation within 5 years of enactment.</p> <p>CCAMPIS. Would revise grantees' reporting requirements and require an annual report to Congress.</p>	<p>CCDF Infrastructure Grants. The Secretary would conduct an immediate needs assessment of U.S. child care facility conditions during the first grant cycle, followed by a long-term needs assessment within 4 years of the bill's enactment.</p> <p>Grantees would be required to use a portion of funds to report to the Secretary on the impact of the funds within 6 months of the end of the grant period.</p>
<p>Tax Provisions</p>	<p>Child Tax Credit (CTC). Would make the CTC fully refundable for 2020; increase the amount to \$3,000 per child (\$3,600 for a child under age 6; make 17-year-olds qualifying children; and require the Secretary to make best efforts to provide the enhanced credit in the form of an advanced payment.</p>	<p>Not specified</p>	<p>Not specified</p>	<p>Tax Credit Studies. Would require studies of the tax credit for employer-provided child care.</p>	<p>Child and Dependent Care Tax Credit (CDCTC). Would enhance and make the CDCTC refundable.</p> <p>Employer-Provided Dependent Care Assistance Exclusion. Would increase the exclusion from \$5,000 to \$10,500.</p> <p>Facilities Credit. Would provide a 50% refundable payroll tax</p>

	<p>Child and Dependent Care Tax Credit (CDCTC). Would make the CDCTC fully refundable for 2020; increase the maximum credit rate to 50%; amend the phaseout threshold to begin at \$120,000 instead of 15,000; and double the amount of expenses eligible for the credit to \$6,000 for one qualifying individual and \$12,000 for two or more qualifying individuals.</p> <p>Employer-Provided Dependent Care Assistance Exclusion. Would increase the exclusion from \$5,000 to \$10,500 (from \$2,500 to \$5,250 in the case of a separate return filed by a married individual) for 2020.</p> <p>Dependent Care Flexible Spending Arrangements. Would allow carry over up to the annual maximum amount of unused dependent care assistance benefits or contributions from 2020 to 2021.</p>				<p>credit for rent, mortgage, and utility costs incurred by qualified child care facilities through December 31, 2020.</p> <p>Employer-Paid Dependent Care Credit. Would provide a 30% refundable payroll credit for qualified dependent care expenses paid by an employer on behalf of an employee (up to \$2,500 each).</p> <p>Dependent Care Flexible Spending Arrangements (FSA). Would increase flexibility, including carryover of unused benefits, extension of the grace period, and retroactive amendments to such FSAs consistent with these changes.</p> <p>Employee Retention Tax Credit. Would allow employers to claim the employee retention tax credit for wages paid to a domestic worker who provides services in the private home of an employer when the employee is not providing services due to COVID-19.</p> <p>VITA Taxpayer Services. Would increase funding to support lower-income filers in understanding and benefiting from tax provisions.</p>
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