

Early Learning and Care in Proposed COVID-19 Response

SEPTEMBER 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. 3874¹ Rep. Rosa DeLauro (D) and Sen. Patty Murray (D) Status: Passed the House 7/29; Introduced in the Senate 6/3	<u>Child Care is Infrastructure Act</u> H.R. 7201² Rep. Katherine Clark (D) Status: Introduced 6/15	<u>Child Care for Economic Recovery Act</u> H.R. 7327 Rep. Nita Lowey (D) Status: Passed the House 7/29	<u>Back to Work Child Care Grants Act of 2020</u> S. 4221, H.R. 7804 Sen. Joni Ernst (R); Rep. Tom Reed (R) Status: Introduced 7/14 and 7/27	<u>Rebuilding a Better Child Care Infrastructure Act</u> S. 4688 Sen. Ron Wyden (D) Status: Introduced 9/24
Funding Amount	Child Care and Development Block Grant (CCDBG). \$7 billion.	"Significant funds" in addition to the \$3.5 billion for the Child Care and Development Block Grant (CCDBG) provided in the CARES	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	Child Care and Development Fund (CCDF) Infrastructure Grants. \$10 billion over the 2020-2024 period (caps cost of needs	Such sums as may be necessary to carry out the activities under this Act (caps federal administration costs at 1% of total appropriation	Child Care and Development Fund (CCDF). \$3 billion (\$5.917 billion total) for FY21 through FY25 (designates 2% for the

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>Social Services Block Grant. \$850 million.</p>	<p>Act (whereas clause notes an estimated \$25 billion is still needed to provide minimum sufficient funds).</p>		<p>3% of funds for Indian tribes, 3% for territories, and 10-15% for grants to intermediary organizations).</p> <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>assessments at \$5 million and designates 3% of funds for Indian tribes, 3% for territories, and 10-15% for grants to intermediary organizations)</p> <p>CCDF. \$7.083 billion (\$10 billion total).</p> <p>Social Services Block Grant. \$850 million.</p> <p>Volunteer Income Tax Administration (VITA) Matching Grant Program - Taxpayer Services. \$5 million.</p>	<p>and individual grant expenditures for technical assistance and administration at 6%).</p> <p>[These grants are included in the HEALS Act, introduced July 27, 2020, and the Delivering Immediate Relief to America's Families, Schools and Small Businesses Act, introduced September 8, 2020. In both bills \$10 billion is included for the grants and \$5 billion for the Child Care and Development Block Grant (CCDBG).]</p>	<p>territories with no match required; increases to 3% the amount reserved for Indian tribes; and caps expenses for technical assistance and research and demonstration activities at 0.5% each).</p> <p>CCDF Pandemic Child Care Assistance Grants. \$10 billion for FY21 (designates 2% for Indian tribes and 2% for territories) and \$50 million to the Department of Health and Human Services (HHS) for administration and technical assistance.</p> <p>CCDF Grants for Areas of Particular Need. \$15 billion for FY22 (designates 2% of funds for Indian tribes and 2% for territories and caps expenses for technical assistance and an evaluation at 0.5% each) and \$75 million to HHS for administration and technical assistance.</p>
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<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 maintain or resume operation for eligible providers, even if 	<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>Grantees would be required to continue to provide staff’s full salaries and benefits and provide families with relief from</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. Would establish a loan program for early childhood educators who agree to serve for 5 years with a child</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. Would increase mandatory funding from FY20 to FY24 and temporarily waive the state match for any increased funds above \$2.9 billion.</p>	<p>Would establish Back to Work Child Care grants, which are meant to supplement, not supplant other Federal, State, tribal, and local public funds to provide child care services.</p> <p>Funds would be allocated to lead agencies pursuant to the Child Care and Development Block Grant (CCDBG) Act to provide subgrants to qualified child care providers for up to 9 months to assist in paying for fixed costs and increased operating expenses due to COVID–19, including: sanitation and cleaning; recruiting, retaining, and compensating staff, including professional development; acquiring equipment and supplies; facility changes and repairs; and adapting the program or curricula to accommodate children who have not had recent access to a child care setting.</p>	<p>CCDF. In provisions governing calculation of the federal match of state expenditures, would strike a reference to the Federal Medical Assistance Percentage (FMAP) in effect on September 30, 1995, which would allow the current FMAP rate to be used.</p> <p>CCDF Pandemic Child Care Assistance Grants. Funds would be used to supplement, not supplant State and Tribal funds and would be allocated to lead agencies pursuant to the Child Care and Development Block Grant (CCDBG) Act with no matching requirement.</p> <p>Funds could be used for the uses outlined for CCDBG funds in the CARES Act and would expand the definition of workers deemed essential (eligible under the CARES Act to receive child care assistance regardless of</p>
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	<p>they were not receiving CCDBG assistance prior to the public health emergency.</p> <p>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>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. Funds may also be used (including</p>	<p>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</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>		<p>income) to include members of the child care workforce, child welfare workforce, domestic violence workforce, and prevention services workforce; and others deemed essential by a state or local government official.</p> <p>CCDF Grants for Areas of Particular Need. In alignment with a state's most recent statewide needs assessment, grants would be used to improve the quality of child care services and increase parental options and access to high-quality care, especially in areas of concentrated poverty. Funds are meant to supplement, not supplant State and Tribal funds and would have no matching requirement.</p> <p>Funds could be used to contract with child care providers to pay for a specified number of</p>
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Funding Priorities and Eligibility	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.	Not specified	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	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.	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.	Lead agencies would be required to ensure eligible child care providers in urban, suburban, and rural areas can readily apply for and access funding (the bill includes requirements for providing notice); review regulations and requirements that hinder the opening of new licensed child care programs; and maintain a statewide delivery system that provides for	CCDF Pandemic Child Care Assistance Grants. If a lead agency chooses to make subgrants, would prioritize child care services offered 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

	<p>Social Services Block Grant. Prohibits states from excluding essential workers by requiring a means test for services.</p>		<p>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 noncenter-based providers, such that qualified providers may access grants regardless of setting, size, or administrative capacity.</p>	<p>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>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>child care in a variety of settings, including family child care.</p> <p>Subgrantees must have been operating as a child care provider prior to 3/1/20, (CCDBG participation is not required) and would be required to follow all safety requirements and any enhanced protocols; comply with the bill's reporting requirements; remain open at least 1 year after receiving the subgrant; and not artificially suppress revenue, enrollment, or attendance to receive subgrant funding.</p>	<p>proportion of children whose families received CCDBG subsidies; or operating in communities, including rural communities, with a low supply of child care.</p> <p>CCDF Grants for Areas of Particular Need. To receive funds, lead agencies would describe in their FY22 CCDBG plan how they would use funds to increase the child care supply, quality, and affordability for all families in areas determined to be in particular need of child care.</p> <p>If a lead agency chooses to make subgrants, would prioritize child care services offered 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</p>
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Reporting Requirements and Studies	<p>CCDBG. States and Tribes would be required to report to the Secretary, and the Secretary to report to Congress on how funds were spent.</p> <p>Social Services Block Grant. Not specified.</p>	Not specified	Lead agencies would be required to report within 60 days of receiving funds, quarterly until funds are expended, and after all funds are obligated. Additionally, the Secretary would be required to 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>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>Early Childhood Educator Loan Assistance Program. Would require a report on implementation</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>	Lead agencies would be required to submit a report within a year describing how it determined the criteria for awarding subgrants; the types of providers that received priority; data on the number of qualified child care providers that received a subgrant, the number of eligible providers, and the number of child care slots; and information concerning how subgrantees used funding.	<p>CCDF Pandemic Child Care Assistance Grants. Lead agencies would be required to submit to HHS and to make public: a report within 90 days detailing the planned use of funds; and a final report by December 31, 2022, specifying how funds were spent, the number and type of eligible child care providers assisted, and the average income levels of families assisted.</p> <p>Additionally, the Secretary would be required to submit a report to Congress summarizing the lead agencies initial reports within 180 days and a final report by April 30, 2024.</p>

				<p>within 5 years of enactment.</p> <p>CCAMPIS. Would revise grantees' reporting requirements and require an annual report to Congress.</p>			<p>CCDF Grants for Areas of Particular Need. Lead agencies would be required to submit a final report to HHS by December 31, 2024 describing the impact of funds on the supply of child care in the designated areas of particular need, whether the funds were used for construction or infrastructure projects and the statuses of those projects, and to the extent possible, the impact the funds had on the supply, quality, and affordability of child care.</p> <p>The Secretary would be required to submit a final report to Congress by April 30, 2025, and by September 30, 2025, the results of an evaluation of how funds improved the supply, quality, and affordability of child care in the designated areas of particular need (based on a geographically diverse selection of lead agencies).</p>
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<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>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</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 credit for rent, mortgage, and utility costs incurred by qualified child care facilities through 12/31/20.</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).</p>	<p>Not specified</p>	<p>Not specified</p>
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	<p>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>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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