## Congress of the United States

Washington, DC 20510

April 27, 2022

The Honorable Rosa DeLauro Chairwoman House Appropriations Committee Subcommittee on Labor, Health and Human Services, Education, and Related Agencies Washington, DC 20515 The Honorable Tom Cole Ranking Member House Appropriations Committee Subcommittee on Labor, Health and Human Services, Education, and Related Agencies Washington, DC 20515

## Dear Chairwoman DeLauro and Ranking Member Cole:

As you consider Fiscal Year (FY) 2023 Labor, Health and Human Services, and Education appropriations legislation, we urge you to include the following high-impact investments in early education, early intervention, and high-quality child care:

Provide an additional \$6.2 billion for the Child Care and Development Block Grant (CCDBG) for FY 2023. After a historic funding increase for CCDBG in FY 2018, which was maintained and expanded in the following years, states have been able to make important progress in addressing the critical child care needs of children and families. As a result of the 2018 investment, the total number of children on waitlists for child care assistance decreased by 55 percent and over half the states increased payments to providers with an average increase of over \$100 a month per child. However, significant gaps that remain have only been widened by the coronavirus pandemic.

At least 16,000 child care programs across 37 states have closed over the last two years, contributing to the challenges that thousands of families are facing today in accessing affordable, high-quality child care. Many of the programs that managed to stay open continue to operate on razor-thin margins. Although over a million children are provided a child care subsidy through CCDBG, it is available to only a fraction of eligible families. By doubling the amount of funding available through CCDBG, we can significantly increase the number of children and families that would be provided child care subsidies to help lower the cost of care for working families. Accessible high-quality child care allows parents to return to work, strengthens our economic recovery, and ensures all children can access care that supports positive physical and brain development.

<sup>&</sup>lt;sup>1</sup> Schulman, Karen, *Early Progress: State Child Care Assistance Policies 2019*, NATIONAL WOMEN'S LAW CENTER (October 2019), <a href="https://nwlc.org/wp-content/uploads/2019/11/NWLC-State-Child-Care-Assistance-Policies-2019-final.pdf">https://nwlc.org/wp-content/uploads/2019/11/NWLC-State-Child-Care-Assistance-Policies-2019-final.pdf</a>.

<sup>&</sup>lt;sup>2</sup> Child Care Aware, *Demanding Change: Repairing our Child Care System* (March 2022), <a href="https://www.childcareaware.org/demanding-change-repairing-our-child-care-system/">https://www.childcareaware.org/demanding-change-repairing-our-child-care-system/</a>.

<sup>&</sup>lt;sup>3</sup> Kashen, Julie, *The Top Six Reasons We Need Comprehensive Child Care and Universal Pre-K*, THE CENTURY FOUNDATION (Feb. 24, 2022), <a href="https://tcf.org/content/commentary/top-six-reasons-need-comprehensive-child-care-universal-pre-k/">https://tcf.org/content/commentary/top-six-reasons-need-comprehensive-child-care-universal-pre-k/</a>; see also U.S. Department of Health and Human Services, *Estimates of Child Care Eligibility and Receipt for FY18* (August 2021) <a href="https://aspe.hhs.gov/sites/default/files/2021-08/cy-2018-child-care-subsidy-eligibility.pdf">https://aspe.hhs.gov/sites/default/files/2021-08/cy-2018-child-care-subsidy-eligibility.pdf</a>.

Accordingly, an additional \$6.2 billion for CCDBG is vital to supporting our nation's caregivers and improving economic mobility for low-income families. Specifically, increased investment would result in the following:

- Serve more than an additional 800,000 children: If Congress were to double funding for CCDBG and use 80% of that funding on direct services, more than 800,000 additional children would be reached with the federal discretionary dollars alone. According to recent data, just 1 in 9 young children who were eligible for CCDBG actually received assistance in 2019. Over a dozen states have waiting lists or frozen intake for child care assistance. A significant increase in CCDBG funding will expand the program's ability to provide high-quality care to more eligible children who are not currently receiving subsidies.
- Increase payments and wages for providers as well as improve accessibility and quality: While prior increases in CCDBG funding have allowed some states to increase some of their payment rates for providers serving families receiving child care assistance, more work is needed. In 2020, only one state paid child care providers at the federally recommended rate. As a consequence of historic underfunding, the child care sector is currently missing one in nine jobs since the pandemic began, which has further threatened child care supply and compromised the ability of this sector to support working families. By committing to greater investment in CCDBG, states are further incentivized to make changes that improve the quality of child care for all children and acknowledge child care providers as essential to our economic well-being.
- Enable women to fully participate the workforce: There are 872,000 fewer women in the labor force now than in February 2020, and studies have found that increases in CCDBG subsidies have the potential to substantially increase workforce participation and employment rates for low-income mothers in the United States. <sup>9</sup> In fact, a recent report by the U.S. Census Bureau found that child care subsidies help working mothers stay in the labor force and narrow the pay gap between spouses. <sup>10</sup> The child care crisis is an economic issue that disproportionately impacts women, and studies show that women are

<sup>&</sup>lt;sup>4</sup> Estimate provided by the Center for Law and Social Policy. The subsidy rate used in this calculation is based on the average monthly subsidy paid across care types and age groups based on the <u>FY 2019 CCDF data</u>.

<sup>&</sup>lt;sup>5</sup> Malik, Rasheed, *The Build Back Better Act Substantially Expands Child Care Assistance*, THE CENTER FOR AMERICAN PROGRESS (Dec. 2, 2021), <a href="https://www.americanprogress.org/article/the-build-back-better-act-substantially-expands-child-care-assistance/">https://www.americanprogress.org/article/the-build-back-better-act-substantially-expands-child-care-assistance/</a>.

<sup>&</sup>lt;sup>6</sup> Schulman, Karen, *State Child Care Assistance Policies 2020*, NATIONAL WOMEN'S LAW CENTER (May 2021), <a href="https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf">https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf</a>.

<sup>&</sup>lt;sup>7</sup> Schulman, Karen, *State Child Care Assistance Policies 2020*, NATIONAL WOMEN'S LAW CENTER (May 2021), <a href="https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf">https://nwlc.org/wp-content/uploads/2021/05/NWLC-State-Child-Care-Assistance-Policies-2020.pdf</a>.

<sup>&</sup>lt;sup>8</sup> Tucker, Jasmine & Lepage, Brooke, *Women Gain 93% of the Jobs Added to the Economy in March*, NATIONAL WOMEN'S LAW CENTER (April 2022) https://nwlc.org/wp-content/uploads/2022/04/March-Jobs-Day.pdf.

<sup>&</sup>lt;sup>9</sup> Tucker, Jasmine & Lepage, Brooke, *Women Gain 93% of the Jobs Added to the Economy in March*, NATIONAL WOMEN'S LAW CENTER (April 2022) <a href="https://nwlc.org/wp-content/uploads/2022/04/March-Jobs-Day.pdf">https://nwlc.org/wp-content/uploads/2022/04/March-Jobs-Day.pdf</a>; Enchautegui, María et. al, *Effects of the CCDF Subsidy Program on the Employment Outcomes of Low Income Mothers*, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES, OFFICE OF THE ASSISTANT SECRETARY FOR PLANNING AND EVALUATION (December 2016), <a href="https://aspe.hhs.gov/sites/default/files/private/pdf/253961/EffectsCCSubsidiesMaternalLFPTechnical.pdf">https://aspe.hhs.gov/sites/default/files/private/pdf/253961/EffectsCCSubsidiesMaternalLFPTechnical.pdf</a>.

<sup>&</sup>lt;sup>10</sup> Gurrentz, Benjamin, *Child Care Subsidies Help Married Moms Continue Working, Bring Greater Pay Equity*, U.S. CENSUS BUREAU (Oct. 12, 2021), <a href="https://www.census.gov/library/stories/2021/10/measuring-impact-of-child-care-subsidies-on-working-moms.html">https://www.census.gov/library/stories/2021/10/measuring-impact-of-child-care-subsidies-on-working-moms.html</a>.

nearly three times as likely as men to not work outside the home during the pandemic because of child care demands. <sup>11</sup> By making strong federal additional investments in CCDBG, we support working women and families.

In addition, we urge you to provide increased funds for the two critical early childhood programs under the Individuals with Disabilities Education Act (IDEA). Together, Part C Early Intervention and Part B 619 Preschool Special Education programs deliver comprehensive services for children with disabilities from birth through 5 years of age and their families. These programs serve over 1.23 million children per year, about double the number served in 1991, and benefit all states. Unfortunately, federal investments in both IDEA Part C and IDEA Part B 619 Preschool have failed to match increases in the number of children served as well as cost of inflation. Consequently, both programs have experienced a significant erosion of funding over the last two decades. Federal funding for IDEA Part C is only at \$645 per child, adjusted for inflation. For IDEA Part B Preschool 619, federal funding is at only \$529 per child, adjusted for inflation. We urge the Committee to significantly increase the federal contribution to funding important investments by providing at least \$932 million in FY 2023 funding for IDEA Part C Grants for Infants and Toddlers to help increase program access and expand services. In addition, we ask the Committee to provide at least \$502.6 million in FY 2023 funding for Preschool Grants under Part B Section 619 of the Individuals with Disabilities Education Act.

High-quality early interventions in early care and education can produce a 13 percent per child, per year return on investment. This substantial return on investment is derived largely from long-term savings associated with a reduced need for special education, improved health outcomes, higher rates of high school and college graduation, decreased dependence on welfare programs, and increased workforce productivity of children who receive a high-quality early education.

We hope that you will fully support these critical investments in young learners, working women, and families.

Sincerely,

Katherine M. Clark Member of Congress Mark DeSaulnier Member of Congress

<sup>&</sup>lt;sup>11</sup> Gurrentz, Benjamin, *Child Care Subsidies Help Married Moms Continue Working, Bring Greater Pay Equity*, U.S. CENSUS BUREAU (Oct. 12, 2021), <a href="https://www.census.gov/library/stories/2021/10/measuring-impact-of-child-care-subsidies-on-working-moms.html">https://www.census.gov/library/stories/2021/10/measuring-impact-of-child-care-subsidies-on-working-moms.html</a>.

<sup>&</sup>lt;sup>12</sup> Heckman, James, *Economist James J. Heckman: Early Education Packs a High Return on Investment*, COMMITTEE FOR ECONOMIC DEVELOPMENT (March 6, 2017), <a href="https://www.ced.org/blog/entry/comprehensive-birth-to-age-five-early-childhood-education-has-the-highest-r">https://www.ced.org/blog/entry/comprehensive-birth-to-age-five-early-childhood-education-has-the-highest-r</a>.

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