

#

# Congress of the United States

Washington, DC 20515

#

[[DATE]]

The Honorable Robert Aderholt  
Chairman  
House Appropriations Committee  
Subcommittee on Labor,  
Health, and Human Services  
and Related Agencies  
Washington, D.C. 20510

The Honorable Rosa DeLauro  
Ranking Member  
House Appropriations Committee  
Subcommittee on Labor,  
Health, and Human Services  
and Related Agencies  
Washington D.C. 20510

Dear Chairman Aderholt and Ranking Member DeLauro:

As you consider Fiscal Year (FY) 2025 Labor, Health and Human Services, and Education appropriations legislation, we urge you to include the following essential investments in early education, early intervention, and high-quality child care:

**Provide at least \$12.4 billion for the Child Care and Development Block Grant (CCDBG) for FY 2025.** CCDBG provides federal funding to states for child care subsidies for families with low-incomes with children younger than 13 years old. Efforts to maintain and expand CCDBG funding in recent years have helped states make important progress in addressing the care needs of children, families, and providers. The funding increase for CCDBG in FY 2018, which doubled funding for the program, helped decrease the number of children on waitlists for child care assistance by 55 percent and enabled more than half of states to increase payments to providers by an average increase of more than \$100 a month per child.<sup>1</sup>

Despite the bipartisan support for CCDBG, significant gaps remain in the federal programs to support access to affordable child care and early learning. Improving access to high-quality, affordable child care is a pressing economic priority for our country. Child care challenges for parents and caregivers in the workforce cost the economy an estimated \$122 billion each year in lost earnings, productivity, and revenue, while productivity problems associated with child care challenges cost employers \$23 billion annually. In addition to the overall costs, limited child care access also undermines our workforce. One in four parents of children under three have been fired from or quit a job because of challenges securing child care, and 41 percent have turned down a new job offer for this reason.<sup>2</sup> The ongoing challenges affecting child care access are limiting economic growth, threatening employers and small businesses, and hurting working families.

#

<sup>1</sup> Schulman, Karen, *Early Progress: State Child Care Assistance Policies 2019*, National Women's Law Center (Oct. 2019), <https://nwlc.org/wp-content/uploads/2019/11/NWLC-State-Child-Care-Assistance-Policies-2019-final.pdf>.

<sup>2</sup> Ready Nation, *\$122 Billion: The Growing, Annual Cost of the Infant-Toddler Child Care Crisis*, Council for a Strong America (Feb. 2023), <https://www.strongnation.org/articles/2038-122-billion-the-growing-annual-cost-of-the-infant-toddler-child-care-crisis>.

By delivering on the bipartisan goal<sup>3</sup> of funding CCDBG at a \$12.4 billion level, we can significantly increase the number of children and families able to access child care subsidies. This will help lower the cost of care for working families and expand the number of children who can access the care that supports positive physical and brain development. Specifically, increased investment would result in the following:

- **Helping more families access child care:** The demand for child care from working families is clear, but the lack of supply is preventing parents and guardians across the nation from accessing the care they need. The limited supply of care also directly contributes to the unreachable cost of child care. Paying for child care is one of the highest costs in a family's annual budget. The Women's Bureau of the Department of Labor projects through its National Database of Childcare Prices the median annual costs of child care, depending on provider, range from \$5,357 and \$17,171 in 2022 dollars. Based on this data, the National Database of Childcare Prices shows that some families are spending as much as 20 percent of their annual income on care. This cost is not sustainable for any family. Unfortunately, CCDBG only reaches one in nine children who are eligible. A significant increase in CCDBG funding will expand the program's reach and ability to provide high-quality care to more eligible children who are not currently receiving subsidies.
- **Increasing payments and wages for providers:** Although prior increases in CCDBG funding have helped some states increase at least some of their payment rates for providers serving families receiving child care assistance, more work is needed. According to the Bureau of Statics at the Department of Labor, child care workers only earn an average of \$13.71 per hour and is among one of the lowest paid sectors.<sup>4</sup> The inadequate wages paid to caregivers also drives staffing shortages: the turnover in child care workers is approximately 65 percent higher than in a typical job.<sup>5</sup> These low wages are also disproportionately harmful to women, especially women of color, who make up a large proportion of the care workforce.<sup>6</sup> 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.
- **Enabling women to fully participate in the workforce:** Studies have found that increases in CCDBG subsidies have the potential to substantially increase workforce participation and employment rates for mothers with low incomes in the United States.<sup>7</sup>

---

#  
<sup>3</sup> Letter from Congresswoman Katherine M. Clark and 132 colleagues, to House Appropriations Subcommittee on Labor, Health, and Human Services, Education, and Related Agencies (April 27, 2022), <https://katherineclark.house.gov/press-releases?ID=FFAA8165-20B8-4DAA-969B-7B9A9E4E6AA0>; Letter from Senator Richard Burr and 4 colleagues, to Senate Appropriations Subcommittee on Labor, Health, and Human Services, Education, and Related Agencies (May 23, 2022), [https://www.collins.senate.gov/imo/media/doc/ccdbg\\_letter.pdf](https://www.collins.senate.gov/imo/media/doc/ccdbg_letter.pdf).

<sup>4</sup> Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Childcare Workers, at <https://www.bls.gov/ooh/personal-care-and-service/childcare-workers.htm> (visited January 24, 2024).

<sup>5</sup> <https://www.clevelandfed.org/publications/cd-reports/2024/20240119-childcare-and-education-workforce>

<sup>6</sup> Austin, Lea J.E., Edwards, Bethany, and Whitebook, Marcy, Racial Wage Gaps in Early Education Employment, Center for the Study of Child Care Employment, University of California, Berkeley, <https://cscce.berkeley.edu/publications/brief/racial-wage-gaps-in-early-education-employment/>

<sup>7</sup> Enchautegui, Maria 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), <https://aspe.hhs.gov/sites/default/files/private/pdf/253961/EffectsCCSubsidiesMaternalLFPTechnical.pdf>.

In fact, a recent report by the United States Census Bureau found that child care subsidies help working mothers stay in the labor force and narrow the pay gap between spouses.<sup>8</sup> The child care crisis is an economic issue that disproportionately affects women, and studies show that women have been nearly three times as likely as men to not work outside the home over the past few years because of child care demands.<sup>9</sup> By strengthening CCDBG, we can expand the workforce and better support working women.

**Provide at least \$974.8 Million for IDEA Grants for Infants and Families and \$683.5 million for IDEA Preschool Grants.** We also urge you to provide increased funds for the two critical early childhood programs under the Individuals with Disabilities Education Act (IDEA). Together, IDEA Grants for Infants and Families (Part C of IDEA) and IDEA Preschool Grants (Part B, Section 619 of IDEA) deliver comprehensive services for children with disabilities from birth through 5 years of age and their families. These programs serve more than one million children per year and benefit all states.<sup>10</sup> Unfortunately, federal investments in both programs have failed to match increases in the number of children served as well as the cost of inflation. Consequently, both programs have experienced a significant erosion of funding over the last two decades.

High-quality early interventions in early care and education can produce a 13 percent per child, per year return on investment.<sup>11</sup> 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.

Members of Congress on both sides of the aisle and President Biden<sup>12</sup> have consistently demonstrated our commitment to expanding access to affordable, quality child care. The child care stabilization relief funds<sup>13</sup> and historic increases to annual CCDBG funding provided much-needed lifelines to the child care industry. We urge you to again, in a bipartisan matter, expand these critical federal resources for affordable, high-quality child care and early childhood education.

[[CLOSING]]

[[SIGNATURES]]

\_\_\_\_\_#

<sup>8</sup> Gurrentz, Benjamin, *Child Care Subsidies Help Married Moms Continue Working, Bring Greater Pay Equity*, U.S. Census Bureau (Oct. 12, 2021), <https://www.census.gov/library/stories/2021/10/measuring-impact-of-child-care-subsidies-on-working-moms.html>.

<sup>9</sup> Ibid.

<sup>10</sup> U.S. Department of Education, *43rd Annual Report to Congress on the Implementation of the Individuals with Disabilities Education Act, 2021* (Jan. 2022), <https://sites.ed.gov/idea/files/43rd-arc-for-idea.pdf>.

<sup>11</sup> Heckman, James, *Economist James J. Heckman: Early Education Packs a High Return on Investment*, Committee for Economic Development (March 6, 2017), <https://www.ced.org/blog/entry/comprehensive-birth-to-age-five-early-childhood-education-has-the-highest-r>.

<sup>12</sup> Koch, Christina, *Funding for Child Care and Early Learning in President Biden's FY2024 Budget*, Child Care Aware of America®, March 24, 2023, <https://info.childcareaware.org/blog/presidentsbudgetforchildcare>.

<sup>13</sup> U.S. Department of Health and Human Services, *COVID Investments in Child Care: Supporting Children, Families, and Providers*, June 1, 2023, <https://www.acf.hhs.gov/occ/infographic/covid-investments-child-care-supporting-children-families-and-providers>.