

THE FIRST FIVE THINGS TO KNOW ABOUT



THE BIPARTISAN, BICAMERAL CHILD CARE PLAN:

The Child Care Availability Act

The Child Care Workforce Act

First Introduced: July 2024

Reintroduced: March 2025.

- Sen. Katie Britt (R-AL) and Sen. Tim Kaine (D-VA) introduced the **Child Care Availability and Affordability Act** in the Senate with co-sponsors Sen. Shelley Moore Capito (R-WV), Sen. Susan Collins (R-ME), Sen. John Curtis (R-UT), Sen. Joni Ernst (R-IA), Sen. Kirsten Gillibrand (D-NY), Sen. Angus King (I-ME), Sen. Amy Klobuchar (D-MN), and Sen. Jeanne Shaheen (D-NH).
- Rep. Salud Carbajal (D-CA) and Rep. Mike Lawler (R-NY) co-introduced the legislation in the House with co-sponsors Rep. Juan Ciscomani (R-AZ) and Rep. Sharice Davids (D-KS).
- Cosponsors of the **Child Care Workforce Act** include Sens. Britt, Kaine, Gillibrand, King, Klobuchar and Shaheen.

Parents want to make child care choices that best support their family's individual needs and their child's development. This is especially true for the two-thirds of children ages five and under who require care because all available parents in their household are working. Yet today, too many parents are left with very few options and struggle to afford the care they do find.

The [Child Care Availability and Affordability Act](#) and the [Child Care Workforce Act](#) make up a [bipartisan, bicameral legislative package](#) aimed at making child care more affordable and accessible. The offices say this is a "pro-family, pro-growth plan to unlock a brighter future for working parents."

Here are the first five things to know:

1

When child care is hard to find and hard to afford, it has a devastating impact on children, families, and the economy.

Over the past few decades, the cost of child care has risen by [an estimated 263%](#). The high cost and low availability of child care forces families to make tough decisions. Some parents may have to put their careers on hold. Many go into debt or take on considerable financial strain.

And child care challenges do not only affect families — they have become a leading concern among employers, particularly small businesses. Many employers report that child care challenges directly impact their ability to recruit and retain employees. This has serious repercussions on daily productivity and ultimately affects their bottom lines and costs our national economy billions of dollars in lost revenue, earnings, and productivity every year.

2

The Child Care Availability and Affordability Act would modernize three existing tax provisions to help more families afford child care.

The bill would strengthen existing federal tax provisions - including the Child and Dependent Care Tax Credit (CDCTC), DCAP (Dependent Care Assistance Plans), and the Employer-Provided Child Care Tax Credit (45F) – to help more families find and afford the child care options they need.

3

Here's how that would work:

- The legislation would broaden the Child and Dependent Care Tax Credit (CDCTC) – the only tax credit that specifically helps parents pay for child care – by making the credit refundable for low- and middle-income working families and expanding the maximum amount parents can receive to \$2,500 for families with one child and \$4,000 for families with two or more children.
- It would strengthen Dependent Care Assistance Plans (DCAP) by increasing the amount of pre-tax dollars families can put into a child care assistance plan (similar to a Flexible Spending Account) from \$5,000 to \$7,500.
- And it would bolster the Employer-Provided Child Care Tax Credit (often referenced as 45F), supporting businesses who want to provide child care to their employees and allowing small businesses to work together to provide child care to employees.
- Here is [an explainer](#) of the three tax provisions.

4

The policies in the Child Care Availability and Affordability Act are popular with voters.

- In [a 2025 poll](#), Americans said they overwhelmingly support (86%) expanding the Child and Dependent Care Tax Credit (CDCTC), including 83% of Republicans, 83% of Independents, and 91% of Democrats.
- They also strongly support expanding DCAP, including 86% of Republicans, 80% of Independents, and 83% of Democrats.
- And they strongly support expanding 45F, with 81% of Republicans, 76% of Independents, and 81% of Democrats approving.

5

The package also contains the Child Care Workforce Act, which would address early educator shortages by establishing a pilot program to boost the supply of child care workers.

- It would implement a competitive grant program for organizations interested in adopting or expanding pay supplement programs for child care workers to decrease turnover.
- Grantees would also be able to provide supplements to both home-based and center-based child care providers who are licensed by the state.

THE BOTTOM LINE

Pairing tax reform with robust federal investment to strengthen child care supports families with young children while ensuring greater economic stability across the country. This package provides an innovative way to increase the supply of quality child care, while looking for ways that providers can recruit and retain a highly-qualified workforce.

LEARN MORE

- First Five Years Fund: [Child Care and the Federal Tax Code resource kit](#);
- FFYF's [First Five Questions interview series](#) featuring Sens. Katie Britt and Tim Kaine;
- [Letters of Support](#) for expanding child care-related tax provisions;
- [2025 polling](#) with support for child care tax provisions;
- [Axios](#), "Kaine, Britt tackle pricey child care in new bipartisan bills."