

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) 2026 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 2026, an increase of at least an additional \$3.65 billion. CCDBG provides federal funding to states for child care subsidies for families with low-incomes with children under age 13. 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 bipartisan 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.¹

Despite the increasingly bipartisan support to expand 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.² 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.³ The ongoing challenges affecting child care access are limiting economic growth, threatening employers and small businesses, and hurting working families.

¹ 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>.

² 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>.

³ Ibid.

By delivering on the bipartisan goal⁴ of funding CCDBG at a \$12.4 billion level, we can continue to 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 and afford 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 finds through its National Database of Childcare Prices the median annual costs of child care, depending on provider, ranged from \$6,552 and \$15,600 in 2022.⁵ Based on this data, the National Database of Childcare Prices shows that some middle-class families are spending as much as 16 percent of their annual income on care. This cost is not sustainable for any family. Unfortunately, CCDBG only reaches 13 percent of children who are eligible.⁶ 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 desperately needed. Many providers are being paid poverty-level wages with little to no access to other workplace benefits like healthcare. According to the Bureau of Statics at the Department of Labor, child care workers only earn a median wage of \$14.60 per hour and is among one of the lowest paid sectors.⁷ 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.⁸ These low wages are especially harmful to women, particularly women of color, who are disproportionately represented in the early care and education workforce.⁹ 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.

⁴ 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.

⁵ Women's Bureau, U.S. Department of Labor, National database of Childcare Prices, at <https://www.dol.gov/agencies/wb/topics/featured-childcare>

⁶ First Five Years Fund, Child Care & Development Block Grant (CCDBG) in the U.S., (2024), <https://www.ffyf.org/wp-content/uploads/2024/05/2024-National-CCDBG-State-Fact-Sheet.pdf>.

⁷ 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).

⁸ <https://www.clevelandfed.org/publications/cd-reports/2024/20240119-childcare-and-education-workforce>

⁹ 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/>; Banerjee, Asha, Gould, Elise, and Sawo, Marokey, Setting higher wages for child care and home health care workers is long overdue, Economic Policy Institute (Nov. 2021), <https://www.epi.org/publication/higher-wages-for-child-care-and-home-health-care-workers/>.

- **Enabling women to fully participate in the workforce:** Many parents need to make job changes because of challenges related to child care; however, having steady and reliable child care options allow parents to improve their economic stability by participating more in the workforce.¹⁰ 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.¹¹ 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.¹² 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.¹³ By strengthening CCDBG, we can expand the workforce and better support working women.
- **Improving outcomes for children:** Children’s brains develop rapidly from the ages of birth to 5, and child care supports healthy development for children in care. Research from the U.S. shows that high-quality early learning programs provide children with foundational skills for reading, vocabulary, math, self-control, and social-emotional development.¹⁴ Further, these benefits are most prominent in children from families with low incomes. By strengthening investments in CCDBG, more children can experience the cognitive, social, and behavioral benefits from attending high-quality child care programs.

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.¹⁵ 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.

¹⁰ Maag, Elaine, Lou, Cary, Casas, Michelle, Daly, Hannah, Garriga, Gabriella, and Hunter, Lillian, *The Return on Investing in Children*, Urban Institute (Sept. 2023), <https://www.urban.org/sites/default/files/2023-09/The%20Return%20on%20Investing%20in%20Children.pdf>.

¹¹ 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), <https://aspe.hhs.gov/sites/default/files/private/pdf/253961/EffectsCCSubsidiesMaternalLFPTechnical.pdf>.

¹² 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>.

¹³ Ibid.

¹⁴ Schoch, Annie D., Gerson, Cassie S., Halle, Tamara, and Bredeson, Meg, *Children’s Learning and Development Benefits from High-Quality Early Care and Education: A Summary of the Evidence*, U.S. Department of Health and Human Services, Administration for Children and Families (Aug. 2023), <https://acf.gov/opre/report/childrens-learning-and-development-benefits-high-quality-early-care-and-education>.

¹⁵ 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>.

High-quality early interventions in early care and education can produce a 13 percent per child, per year return on investment.¹⁶ 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 have consistently demonstrated our commitment to expanding access to affordable, quality child care. The child care stabilization relief funds¹⁷ 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.

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¹⁶ 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>.

¹⁷ 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>.