Working to put high-quality child care and early learning Within Reach for working families.

To: Congressional Staff

From: Within Reach Child Care and Early Learning Coalition

Re: Prioritizing Child Care and Early Learning in the 119th Congress



The members of the Within Reach coalition would like to be among the first to formally welcome you back to Capitol Hill. We look forward to partnering with you in the 119th Congress as you work to advance your office's priorities – particularly as they relate to child care and early learning programs.

The <u>Within Reach coalition</u>, first convened in 2015, is a collection of state and national organizations that work together to advance research and policy, and advocate for significant public investment in, and improvements to, the nation's child care and early learning sector. The United States has no unified child care and early learning system that ensures every family can find the options they need in the setting of their choice. Instead, families are forced to piece together care for their children from multiple, <u>expensive</u> sources, or leave the workforce altogether due to limited supply. Workers cannot go to work without access to childcare, leaving employers scrambling when employees unexpectedly miss work or resign. Meanwhile, <u>providers</u>, the vast majority of whom are small businesses themselves are struggling to break even financially as they are required to subsidize the true cost of care for families with low compensation for staff that does not reflect the value and complexity of the work they do, and leaves many of them having to navigate constant staffing challenges and turnover, with many on the precipice of closure.

In addition to introducing you to the Within Reach coalition, this letter includes information on current child care and early learning programs and frequently asked questions (FAQs). Links to research and additional resources can be found throughout. We hope this is helpful to your work, and please don't hesitate to reach out with any questions.

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The Within Reach coalition's priorities include:

- Protecting and securing increased investments through annual appropriations for the Child Care and Development Block Grant (CCDBG), Head Start, the Individuals with Disabilities Education Act (IDEA) Part B (619) and IDEA Part C, Preschool Development Grants Birth-through-5 (PDG B-5), and other relevant programs to help build supply and increase options for families seeking home-based, center-based, and faith-based care.
- Adopting policies that promote access to affordable, high-quality child care and ease access for providers to
 offer services, without sacrificing protections around children's safety for families who could benefit from these
 programs, like adopting presumptive and additional categorical eligibility practices, and encouraging states to
 reform regulatory standards to alleviate the burden on providers.
- Investing in the supply side of child care and shrinking the number of child care deserts by supporting increased compensation and benefits for child care providers and early educators, boosting workforce pathways, and enabling professional development opportunities that give early educators a sustainable future in the field.
- Modernizing data systems to improve coordination across related programs and enable policymakers, researchers, and advocates to track access, affordability, quality, and other related indicators over time.
- Expanding the reach of these programs so more eligible families and providers can access key supports and services. Key federal programs only reach a fraction of eligible families, leaving many without access to care that meets their needs. Providers, in turn, operate on shoestring budgets, and need reimbursements that better reflect the true cost of care. Ensuring more families can access these services, and imposing caps on what families must pay is crucial to reducing barriers for those who need child care.

As Congress begins its new session, the Within Reach coalition is eager to work with your office to understand the landscape of child care and early learning among your constituents, identify and assess different policy solutions, and support investments and improvements in the programs that help millions of families across the country.

The federal government offers support through a few key programs:

To provide care and education for low-income families –

- Child Care and Development Block Grant (CCDBG) CCDBG provides money to states to offer subsidies for low-income families with children under 13 to help them afford child care. CCDBG also allows some flexibility in how states match funds and administer their child care programs, including allowing state lead agencies to set licensing exemptions, conduct quality-improvement activities, and establish further eligibility criteria for participants. However, at \$8.75 billion in FY24, below the \$12.4 billion requested by the early care and education (ECE) community, the program has never been funded at levels that meet all eligible families' needs, meaning only a fraction of the families who qualify actually receive the benefit.
- **Head Start Preschool** and **Early Head Start** These federal-to-local partnership programs provide comprehensive services to low-income families, including early learning, health, parenting, job supports, and mental health supports. Early Head Start programs serve infants, toddlers, and pregnant women, while Head Start Preschool programs serve 3- and 4-year-old children. Head Start and Early Head Start were collectively funded at \$12.27 billion in FY24, still below advocates' requested \$16.48 billion, leaving the majority of eligible young children without access to the program.

To support special populations –

- IDEA Parts B (619) and C The Individual with Disabilities Education Act (IDEA) Part B (619) provides assistance for children with disabilities to "receive a free and appropriate public education, including guidelines for special education and related services;" Part C provides services for infants and toddlers with disabilities from birth through age 2, and supports for their families, including access to early developmental screenings and evaluations for developmental delays. Part B (619) received \$420 million in FY24 (\$263.5 million lower than the ECE community request); Part C received \$540 million (\$434.8 million lower than the ECE community request).
- Child Care Access Means Parents in School (CCAMPIS) CCAMPIS provides grants to institutions of higher
 education to support or establish on-campus child care programs for low-income students. One in 5 college
 students are parents, and lack of access to child care services can be an impediment to enrollment and
 completion of a program. CCAMPIS was funded at just \$75 million in FY24.

To meet children's needs and increase the quality of services –

- Child and Adult Care Food Program (CACFP) CACFP is an essential child nutrition program administered by the Department of Agriculture that partially offsets the cost of nutritious meals and formula for child care centers, military child care centers, Head Start programs and family child care programs. CACFP provides healthy meals and snacks daily to more than 4.2 million babies and young children, who, particularly at this crucial moment in development, require nutritious foods for healthy growth. Providers and the children they serve would benefit from increased meal reimbursements, an additional reimbursement for suppers, and sensible policy improvements including removing barriers to participation to help improve program quality and reduce childhood hunger. A more robust CACFP would help providers serve nutritious meals without bearing the cost themselves and help to decrease childhood hunger.
- Preschool Development Grant Birth-Through-5 (PDG B-5) Initially authorized under the Every Student
 Succeeds Act, PDG B-5 awards competitive grants to states and territories for the purpose of developing,
 enhancing, and expanding their care and early education systems. It is the only <u>federal program designed to</u>
 enhance coordination across different funding streams and collaboration across programs that oversee child care

and early learning services, including Head Start, state public preschool, and home visiting programs. The program was funded at just \$315 million in FY24, \$185 million below the ECE community request.

FAQs

Why does child care cost so much?

- Child care is a <u>labor-intensive industry</u>. Most of a program's operating costs are for <u>personnel compensation</u>.
 - Early educators cannot be automated or technologically replaced, and they cannot be reduced in number without sacrificing the safety and quality of care children receive.
 - Early educators are professionals who perform complex work, and should be recognized and compensated as such. Low compensation and lack of professional recognition leads to high levels of turnover in the early learning workforce, exacerbating the supply crisis and impacting the quality of care available for young children.
 - Operational costs are also high learning materials, toys, formula and food, insurance, utilities, facility
 maintenance all add up, leaving providers with limited funds. In recent surveys, researchers have found
 that many providers, with the <u>loss of pandemic-era funds</u>, have stopped taking a salary, have taken on
 personal debt, laid off staff, or raised tuition rates to keep their programs afloat.
- The child care system is a <u>broken market</u>; given <u>historic and persistent underfunding</u>, providers have very little support, operating on <u>less than 1 percent profit margins</u>, leaving enrolled families to bear the financial strain through high tuition and fees. Notably, <u>child care for infants and toddlers</u>, which is also typically harder to find and access, is often much <u>costlier</u> than care for older children.
- Parents typically cannot afford the <u>true cost of care</u>, leaving providers to make sacrifices on the services they can offer and compensation for their early educators, while parents struggle to find programs that meet their needs.
 Supply often doesn't meet demand as of 2018, the most recent available data, more than half of US families lived in a <u>child care desert</u>, where there are too few slots to meet families' needs.

Who makes up the child care workforce?

- The overwhelming majority of early educators are women, and disproportionately women of color a
 demographic, given this <u>nation's history</u>, frequently relegated to underpaid care professions. The profession
 remains one of the <u>least compensated</u>, falling behind dog walkers, restaurant workers, and cashiers. And within
 the field, <u>wage inequities</u> also result in Black and Brown educators receiving lower wages than their white
 counterparts, even when equally qualified and credentialed.
 - The national average hourly wage for child care workers providing full-time, center-based care is approximately \$14 per hour, and under \$11 for educators working with infants and toddlers. These low wages result in poverty rates that are almost 6 times higher than those for elementary and middle school teachers. Early educators also often lack access to benefits like health care and retirement, and almost half (43%) of early educator families rely on some kind of public assistance, such as Medicaid or SNAP to make ends meet.

Aren't regulations making things more expensive and inaccessible?

• Federal health and safety regulations are in place to ensure children's wellbeing, promote healthy development, and protect them from harm – most additional regulations are instituted at the state level. Some requirements impose costly and burdensome administrative barriers for providers, but responsible regulations related to

health and safety are necessary to protect children's welfare. There are ways to <u>remove unnecessary red tape</u> and right-size regulations without endangering child health and safety.

- Rolling back health and safety standards <u>does not increase supply, nor does it make care more</u>
 <u>affordable</u> and poses <u>meaningful risks to children's lives</u>. In fact, it may <u>increase costs as providers'</u>
 <u>insurance rates rise</u> with elevated risk to children's safety and security.
- Basic requirements around ratios, to ensure that there are enough experienced caregivers in the room for the
 number and age of children in their care, capping group sizes, and performing background checks on staff are
 necessary for ensuring that children are placed in the hands of early educators prepared to care for them and
 meet their early learning and developmental needs.

What about tax credits?

- While tax code approaches alone are not the solution to the complex challenges facing the child care system, tax
 credits help families afford the overall cost of raising children. However, existing credits have no meaningful
 impact on the supply of care options nor are the benefits currently large enough to cover the true cost of care
 for families.
 - Expanding credits like the Child Tax Credit (CTC), the Child and Dependent Care Tax Credit (CDCTC), and the Earned Income Tax Credit (EITC) can all go a long way to helping parents afford the expenses associated with caring for their children, like diapers, wipes, formula, gear like cribs and high chairs, utilities, school supplies, clothing, and, though nominal, to offset child care tuition and fees.
 - Having access to both the CDCTC and CTC is critically valuable for families to offset the high cost of child care and other costs associated with raising a child.
 - To better serve families, the CDCTC should be expanded to provide more value given to the high cost of child care, in addition to being made fully refundable and indexing it to inflation to ensure the credit matches rising costs of care and so that families can benefit equitably from the credit.
- These existing credits should be protected and expanded so that they better reflect costs and reach more families; however, these improvements should be paired with, not put in place of, broader needed investments in the supply of high-quality child care and other needed supports for families with young children.

Why should the federal government play a role in the child care system?

- Throughout the decades, we have seen bipartisan, bicameral Congressional support for key programs that
 ensure access to child care and early learning opportunities for children, including through appropriations for
 CCDBG and Head Start.
- This is a bipartisan issue affecting providers and families across the country, regardless of where they live.
 Previous administrations, including <u>President Trump's first administration</u>, have supported policies that would address the crisis, invest in the system, and give parents real options for care that meet their families' needs.
- Child care is an essential public good that enables parents to join and remain in the workforce in addition to providing crucial support for children's early development and learning.
 - The nation's <u>economy loses an estimated \$122 billion annually</u> in reduced tax revenue, productivity, and earnings as a result of child care shortages for infants and toddlers
- Access and affordability issues are <u>worsening</u> where federal relief funds have expired and many state investments aren't making up the difference, leading to increased geographic inequities.

The nation's families are struggling and need help; the high cost and inaccessibility of child care is one of the most significant challenges they face, and hampers their self-sufficiency, their ability to work or run a business, as well as the opportunities they can offer their children. Investments in, and improvements to, the child care and early learning system are foundational for our economy, developing the workforce, and securing children's futures. We rely on your

partnership and advocacy to advance resources and policy solutions to improve the programs that serve children and families, and look forward to working with you in the 119th Congress.

Sincerely,

The Within Reach Coalition

AFL-CIO AFSCME All Our Kin

Alliance for Early Success

American Federation of Teachers

Campaign for a Family Friendly Economy

Center for American Progress Center for Law and Social Policy Child Care Aware of America

Child Care for Every Family Network

Community Change Action

Council for Professional Recognition

Early Edge California
Economic Security Project
Family Values at Work
First Five Years Fund
Futures Without Violence

Home Grown

Main Street Alliance

MomsRising

National Association for Family Child Care

National Association for the Education of Young Children

National Council of Jewish Women National Association of Social Workers

National Education Association National Women's Law Center

New America Early & Elementary Education Policy

Program

Opening Doors / Abriendo Puertas

Oxfam America

Save the Children Action Network

SEIU

Small Business Majority

Southern Education Foundation

YWCA

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