United States Senate

WASHINGTON, DC 20510

February 7, 2024

The Honorable Charles Schumer Majority Leader United States Senate Washington, DC 20510

The Honorable Patty Murray Chair Committee on Appropriations United States Senate Washington, DC 20510

The Honorable Tammy Baldwin Chair Subcommittee on Labor, Health and Human Services, and Education Committee on Appropriations United States Senate Washington, DC 20510 The Honorable Mitch McConnell Minority Leader United States Senate Washington, DC 20510

The Honorable Susan Collins
Vice Chair
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Shelley Moore Capito Ranking Member Subcommittee on Labor, Health and Human Services, and Education Committee on Appropriations United States Senate Washington, DC 20510

Dear Majority Leader Schumer, Minority Leader McConnell, Chair Murray, Vice Chair Collins, Chair Baldwin, and Ranking Member Capito:

We write today to reiterate our support for robust funding for child care in the Fiscal Year (FY) 2024 funding legislation and in any future supplemental funding package. Without additional investments by the federal government, child care will remain unaffordable and hard to find for working families, and child care providers will continue to struggle to stay afloat. President Biden and Democrats in Congress have consistently demonstrated our commitment to expanding access to affordable, quality child care. To underscore our support as you work to finalize FY 2024 appropriations legislation and continue negotiating future supplemental funding legislation, we once again urge you to protect and prioritize funding for child care.

Congress has taken important steps to protect the child care industry from collapse. The American Rescue Plan Act provided \$15 billion in supplemental funding for the Child Care Development Block Grant (CCDBG) and \$24 billion to create the Child Care Stabilization grants. These vital stabilization grants helped more than 200,000 child care providers stay in business, saved an estimated 9.6 million child care slots, and maintained more than 1 million child care jobs. On September 30, 2023, the majority of this vital funding expired.

Despite consistent bipartisan support for increasing investments in federal child care assistance, funding for the child care system has not met the needs of American families. The challenges affecting access to child care are not new, and this shortage has been taking an exacting toll on our economy. A report from ReadyNation shows that the lack of available, affordable child care

¹ https://www.acf.hhs.gov/occ/infographic/covid-investments-child-care-supporting-children-families-and-providers

costs the United States \$122 billion in lost earnings, productivity, and tax revenue every year. The broken child care market has resulted in an impossible tension between families, workers, and providers: child care providers cannot afford to run their businesses or pay adequate wages to their staff using revenue from parents alone, while child care costs are unaffordable and unsustainable for working families. For years, the situation has been a nightmare for families, particularly for many families with low incomes, families of color, families seeking infant and toddler care, care for children with disabilities, and care during non-traditional hours. These costs are forcing parents out of the workforce.²

The child care workforce has been one of the slowest sectors to recover from the pandemic, and wages for this critical workforce remain unacceptably low, further fueling the shortage of available child care options for families. As of December 2023, the child care industry was missing more than 30,400 workers compared to pre-pandemic levels.³ The shortage and turnover of the child care workforce is directly attributable to the low wages that these workers are paid. Inadequate compensation contributes to turnover in child care workers that is approximately 65 percent higher than in a typical job.⁴ Caregiving underpins all other work: parents rely on care for their kids, which allows employers across the country to keep their doors open.

President Biden acknowledged this urgent issue by requesting significant funding for child care and early learning in his budget request for FY 2024⁵ and his domestic supplemental appropriations request to Congress.⁶ We also appreciate that you were able to provide a \$700 million increase for CCDBG in the Senate's proposed FY 2024 spending bill. However, without additional investments, costs will go up for families, child care providers will be forced to close, and people will have to choose between going to work or staying home to care for their kids. This is a crisis, however, that can be averted.

Because of continued bipartisan support, CCDBG received a 30 percent increase for a total of \$8 billion in FY 2023. It is essential Congress again act in a bipartisan matter to expand and restore critical federal resources for affordable, high-quality child care. By securing robust funding for child care in both FY 2024 appropriations legislation and any future supplemental funding, we can meet the needs of families and employers.

The child care stabilization relief funds and historic increases to annual child care funding provided much-needed lifelines to the child care industry, but it is crucial that, at minimum, we sustain that level of investment to secure this sector's survival and prevent this emergency from worsening. Child care providers, employers, workers, children, and families need your help. We urge you to use every possible tool to provide a robust investment to address the growing child care crisis. Thank you for your attention to this important matter.

Sincerely,

² https://www.wsj.com/articles/pricey-child-care-is-keeping-many-parents-out-of-the-workforce-1923f4dd? mod=article inline

³ https://cscce.berkeley.edu/publications/brief/child-care-sector-jobs-bls-analysis/

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

⁵ https://info.childcareaware.org/blog/presidentsbudgetforchildcare

⁶ https://www.whitehouse.gov/briefing-room/statements-releases/2023/10/25/fact-sheet-white-house-calls-on-congress-to-support-critical-domestic-needs/

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