United States Senate

WASHINGTON, DC 20510

November 8, 2023

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 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

Dear Majority Leader Schumer, Minority Leader McConnell, Chair Murray, and Vice Chair Collins:

We write today to urge you to include robust funding for child care in any supplemental funding package considered by the Appropriations Committee. Child care is unaffordable and hard to find for working families, and child care providers across the country are struggling to stay afloat. We are extremely concerned that this crisis will continue to worsen following the expiration of the Child Care Stabilization Grants provided under the American Rescue Plan Act (ARPA), vital funding that sustained an estimated 220,000 child care providers, saved an estimated 9.6 million child care slots, and maintained more than 1 million child care jobs.¹ President Biden acknowledged this urgent issue by requesting significant funding for child care in his domestic supplemental appropriations request to Congress.²

During the height of the COVID-19 pandemic, Congress took important steps to protect the child care industry from collapse by delivering historic funding in the economic relief packages passed. The Coronavirus Aid, Relief, and Economic Security (CARES) Act provided the Child Care and Development Block Grant (CCDBG) with \$3.5 billion, the Coronavirus Response and Relief Supplemental Appropriations Act provided \$10 billion in dedicated relief, and ARPA provided \$15 billion for CCDBG and \$24 billion for the stabilization grants. On September 30, 2023, the majority of this vital funding expired.

Prior to the pandemic, the child care system was already in a crisis. In 2018, over 50 percent of counties in the United States were considered a child care desert – an area in which the demand for child care is far more than the supply.³ 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

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

² <u>https://www.whitehouse.gov/briefing-room/statements-releases/2023/10/25/fact-sheet-white-house-calls-on-congress-to-support-critical-domestic-needs/</u>

³ <u>https://www.americanprogress.org/article/americas-child-care-deserts-2018/?</u> msclkid=8fd5208bb9a111ec904894424a46ee05

situation has been far worse for families with low incomes, families of color, and families seeking infant and toddler care, care for children with disabilities, and care during non-traditional hours.

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 September 2023, the child care industry was missing more than 38,400 workers compared to pre-pandemic levels,⁴ and at the rate that child care jobs have been regained in 2023 so far, it could take almost 12 months—until September 2024—for the child care sector to recover pandemic-related job losses.⁵ This threatens America's economic stability and competitiveness. It is estimated that the lack of child care costs our economy \$122 billion in lost earnings, productivity, and revenue annually.⁶

Families and child care providers are feeling increasingly squeezed following the expiration of COVID-19 relief funding for child care, as child care providers scramble to fill the gap in resources previously filled by federal funds. Data from the Bureau of Labor Statistics show that child care prices increased 1.7% in September 2023, while the Consumer Price Index for all items rose by only 0.2% over the same period.⁷ Child care providers in communities across the country are at risk of closure. Already, local news outlets are sharing stories about communities losing child care providers as 43 in Kansas⁸ and seven programs serving 300 children in North Carolina⁹ have closed following the loss of pandemic-era funding and supports.

Due to your continued support, the fiscal year (FY) 2023 appropriations process yielded a total of \$8 billion for CCDBG, which represented a 30 percent increase from FY 2022 funding. 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, we understand that you are limited on discretionary spending with the passage of the Fiscal Responsibility Act in June. So, it is essential that as supplemental funding to meet emergency needs is considered, Congress take action to address the child care crisis. We have an urgent need to further stabilize an industry that has been long underfunded, and Congress must provide robust funding for this sector through a supplemental package.

The child care stabilization relief funds provided a much-needed lifeline to the child care industry, but it is crucial that, at minimum, we sustain that level of investment to ensure the industry's survival and prevent a new emergency. Our providers, workers, children, and families need your help. We urge you to utilize every possible tool to provide a robust investment to address the growing child care crisis. Thank you for your attention to this important matter.

⁴ <u>https://cscce.berkeley.edu/publications/brief/child-care-sector-jobs-bls-analysis/</u>

⁵ <u>https://www.americanprogress.org/article/the-child-care-sector-is-still-struggling-to-hire-workers/</u>

⁶ <u>https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?</u> 1674854626&inline;%20filename=%22\$122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the %20Infant-Toddler%20Child%20Care%20Crisis.pdf%22

⁷ <u>https://tcf.org/content/commentary/as-federal-funds-expire-child-care-prices-are-soaring/</u>

⁸https://www.kslegislature.org/li/b2023_24/committees/ctte_spc_2023_special_committee_on_child_care_ce_1/ documents/testimony/20230926_08.pdf

⁹ <u>https://www.ncdhhs.gov/news/press-releases/2023/10/20/statement-child-care-center-closures-western-north-carolina</u>

Sincerely,

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