

**Federal Investments in
Child Care:
Policy Update**



Agenda

- Reviewing the Build Back Better Act's Child Care Proposal
- Reviewing the Build Back Better Act's Preschool Proposal
- Process and Timeline in Congress
- CCAoA's Resources
- Next Steps for Advocacy

Reviewing Federal Policy Proposal Names

Child Care for Working Families Act
(CCWFA)

American Families Plan (AFP)

Bipartisan Infrastructure Framework

Build Back Better Act (BBB Act)

Birth through Five Child Care and Early Learning Entitlement Program:

Child Care

Age of eligibility – birth through five

Duration – FY22 – FY27

Federal Funding – three-year phase in period, three-year open-ended entitlement to support all eligible families

Provision of services – mixed delivery, including center-based and family child care

Family contributions – capped at 7% of income

Quality and Supply Building – new funding, activities can all be administered by child care resource and referral agencies

Child Care: Guarantee for Families

- Starting in year three of the program, states will be required to provide assistance to all eligible families. This is sometimes referred to as an entitlement.
- Child care will be free or costs will be reduced significantly for more than 76 percent of working families with children under age 6.
- We expect some changes to the exact income levels for eligible families:

Biden Plan/CCWFA	House	Likely Senate?
All families below 150% SMI	All families below 200% SMI (before Committee) No income cap (Amendment added during Committee)	All families below 200% SMI

Learn more about what this means in your state from CLASP's report *Capping the Co-pay*:
https://www.clasp.org/sites/default/files/publications/2021/08/CLASP_CappingCopyChildCare_final.pdf

Child Care: Affordability for Families

State Median Income Range	Copayment as a Share of Income
Under 75%	0% of income
75%-100%	>0% but <2% of income
100%-125%	>2% but <4% of income
125%-150%	>4% but <7% of income
150%-200%*	7% of income

Child Care: Payments to Providers

- States must use payment rates that will cover the full cost of child care.
- These payments must be set using the most recent, statistically valid/reliable cost estimation model or cost study approved by the Department of Health and Human Services.
- The payment rates must reflect variations in the cost of child care by geographic area, type of provider, and age of child.
- This is significant because it gets rid of the Market Rate system of reimbursement.
- This also leads to payments that are designed cover things like compensation and fixed costs in child care.
- States are encouraged to use contracts and grants, though they are still permitted to use certificates or subsidies.

Child Care: Workforce

States must ensure that wages for educators are adequate, which includes that they:

At a minimum, provide a living wage for all staff of such child care providers.

Are equivalent to wages for elementary educators with similar credentials and experience in the State.

Are adjusted on an annual basis for cost of living increases to ensure those payment rates remain sufficient.

Child Care: Quality and Supply Building

- During the first three years of the program, states are required to spend at least 25 percent of their funds for quality and supply building activities. They can also choose to put up to another 25 percent towards quality and supply building activities. These funds come completely from the federal government.
- During the second three years of the program, states must set aside between 5-10% of their funds to pay for quality and supply building activities. Those funds would require a state match, currently proposed to be at the FMAP rate.
- To put the amount of money that will be available for quality in perspective:
 - In the 1st year of the program (FY 2022), there is \$20 billion for child care. That means at a minimum, states must use \$5 billion on quality and can use up to \$10 billion.
 - In Year 2 (FY 2023), there is \$30 billion for child care. That means states must use at least \$7.5-\$15 billion on quality.
 - In Year 3 (FY 2024), there is \$40 billion for child care. That means at least \$10-\$20 billion on quality.
 - For context, the entire CCDBG discretionary program is currently funded at \$5.9 billion. In FY 2019, about \$1.6 billion went to quality spending.

Child Care: Quality and Supply Building (cont.)

- Activities for quality and supply building activities:
 - Startup grants and supply expansion grants;
 - Quality grants to help providers reach the highest quality tier or to sustain quality;
 - Facilities grants, which cover the renovations and repair activities permitted under CCDBG currently as well as construction, permanent improvement, or major renovation of a building or facility primarily used for providing child care.
 - Training and professional development of the early childhood workforce, including degree attainment and credentialing for early childhood educators.
- Developing, implementing, or enhancing the state's QRIS program.
- Improving the supply and quality of developmentally appropriate child care programs and services for underserved populations.
- Improving child care access for children experiencing homelessness and for children in foster care.
- Other activities to improve child care supply and quality, including those listed in existing CCDBG regulations.
 - This includes additional support for CCR&Rs for current activities, on top of continued funding through CCDBG.
- This quality set-aside money may be administered by the state, or by CCR&Rs, community development financing institutions (CDFIs), other experienced intermediaries. **This provides a new path forward to CCR&R activities and partnerships with state agencies.**

Child care: Licensing

- States must, within 3 years, maintain (if they already have them) or develop (if they do not have them) licensing standards and a pathway to licensure.
- These standards must be available to and **appropriate for** providers in a variety of settings.
 - This provision is in place to ensure that providers currently eligible under CCDBG have a pathway to becoming eligible providers under the Entitlement Program.
- Payment rates must support and be sufficient for child care providers not at the top of the quality rating system to move up.

Birth through Five Child
Care and Early
Learning Entitlement Program:

Preschool

Program Highlights

Age of eligibility – three- and four-year olds

Duration – FY22 – FY28

Federal Funding – open-ended entitlement

Provision of services – mixed delivery

Preschool: Mixed Delivery

- Eligible entities
 - Districts or consortia of districts;
 - Head Start agencies;
 - Licensed center-based child care;
 - Licensed family child care provider;
 - Community- or neighborhood-based networks of licensed family child care.
- Equitable distribution of preschool slots
- Department of Health and Human Services administers in collaboration with the Department of Education.

Preschool: Program Standards

- Evidence-based curriculum that meets Head Start Performance Standards
- 1,020 hours of instruction, consistent with Head Start Performance Standards
- Salaries and salary schedules equivalent to those for elementary school staff
- All lead preschool teachers have a B.A. by 2029*

Preschool: State Financing

- A non-federal match is required to draw down federal funds
- Cost of preschool state match
 - FY22 – FY24: 0%
 - FY25: 10%
 - FY26: 20%
 - FY27: 30%
 - FY28: 40%
- State-level activities match
- 50% of the federal share spent on state-level activities

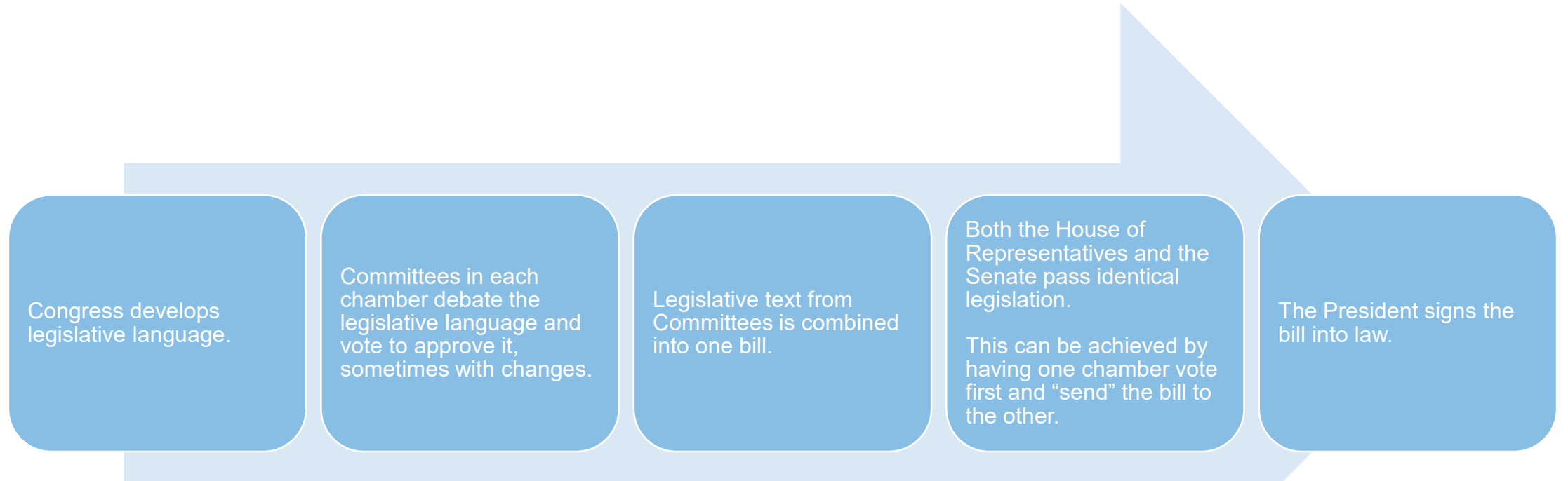
Preschool: State Activities

- State-level activities:
 - Continuous quality improvement
 - Data systems building
 - Outreach and enrollment for certain populations
 - Supporting providers in pursuit of credentials and degrees
- State must prioritize expansion to high-need communities before other communities
- States must prioritize subgrants or contracts to establish or expand services in high-need communities, focusing expenditures on:
 - Personnel
 - Costs associated with implementing early learning standards
 - Professional development and training
 - Implementing and meeting health & safety standards, including licensure
 - Addressing teacher/child ratios and maximum group sizes
 - Materials, equipment, and supplies
 - Overhead (rent, mortgage, utilities, building security, maintenance, insurance)

State Opt-Out/Local Grants

- Eligible localities:
 - Cities
 - Counties
 - Other units of local government
 - A Head Start Agency
 - For preschool: A local school district

Process and Timeline



New nonbinding deadline: October 31

Resources

- Blog: [What Does the Build Back Better Act Mean for Child Care?](#)
- Memo: [Birth through Five Child Care & Early Learning Entitlement Program in the Build Back Better Act](#)



Brenda Lawrence
@RepLawrence

My visit to the Everbrook Academy yesterday in West Bloomfield showed me 2 things: how incredible our child care providers are & that they need our help. #ChildCare is infrastructure and we need to treat it as such.



Chrissy Houlihan
@RepHoulihan

When I was a young mother in the Air Force, I struggled to afford #childcare. And while my efforts in Congress have expanded access to affordable childcare & paid parental leave, we still see families struggling to make ends meet. The good news is we are not alone in this fight.



Senator Bob Casey
@SenBobCasey

York Day Nursery has served the community for almost 90 years with its early learning & #childcare program. Most of the enrolled children come from low-income families & York Day Nursery helps set all students up for success later in life.



Advocacy Opportunities

Today is a coalition Day of Action!

Share and use CCAoA's tools:

- Apply public pressure by [sending a tweet](#) to your members of Congress
- [Call Congress](#) and tell them to #SolveChildCare!
- Schedule/send social media posts today encouraging advocates to take action. Use [the coalition toolkit for sample text](#).
- Send an email to your network encouraging them to take action today. CCAoA has [sample text available](#) to help you.
- Ask your members of Congress for a (virtual) meeting this week. Use CCAoA's [how-to guide](#) or reach out to anne.hedgepeth@usa.childcareaware.org for help!

Questions?



take.action@usa.childcareaware.org



anne.hedgepeth@usa.childcareaware.org