

What President Biden's American rescue plan could mean for child care ^[1]

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EXCERPT

Earlier this month, President Biden announced the details of his \$1.9 trillion COVID-19 relief package, the American Rescue Plan. The proposal provides emergency relief to families and businesses during the economic crisis created by the coronavirus pandemic.

The plan includes executive actions the President quickly implemented after taking office. The Executive Order on Supporting the Reopening and Continuing Operation of Schools and Early Childhood Education Providers directs the Department of Health and Human Services (HHS) to provide guidance for child care programs to safely reopen and operate. HHS will also provide guidance to assist child care programs in meeting the needs of children, families and staff affected by the COVID-19 pandemic, focusing on trauma-informed care, behavioral and mental health supports and family support.

The executive order also requires HHS to provide technical assistance to states to support the distribution of COVID-19 relief funds to child care providers. In addition, the President's Memorandum to Extend Federal Support to Governors' Use of the National Guard to Respond to COVID-19 and to Increase Reimbursement and Other Assistance Provided to States allows states to provide personal protective equipment (PPE) and disinfecting services and supplies to child care programs, with full support from FEMA.

Congressional action is needed on other pieces of the American Rescue Plan. The proposal includes \$40 billion in dedicated relief for the child care industry that would have to pass through Congress. As proposed, \$25 billion of that relief would go to a child care stabilization fund to support providers that had to close during the pandemic so that they can reopen. The stabilization fund would also help providers pay for rent, utilities, and payroll, as well as increased costs associated with the pandemic.

The other \$15 billion in dedicated relief would serve as emergency funding for the Child Care and Development Block Grant program (CCDBG), to rebuild the supply of quality child care and help the disproportionate number of women who have left the labor force to take on caregiving duties reenter the workforce. The president's proposal also includes an expansion of the Child and Dependent Care Tax Credit (CDCTC) through an emergency one-year increase to help working families cover the cost of child care.

Beyond child care, the American Rescue Plan includes additional provisions that support families and communities:

\$130 billion to help schools safely reopen - This funding would allow for social distancing by reducing class sizes and modifying spaces, improve ventilation, hire more janitors, provide PPE, provide access to school nurses and close the digital divide. Additionally, funding could be used to prevent cuts to state pre-K programs.

Stimulus payments - This plan provides direct \$1,400 per-person stimulus checks for eligible recipients.

\$1 billion for Temporary Assistance for Needy Families (TANF) - The plan provides funding for states to cover additional cash assistance for recipients of TANF.

Nutrition assistance - The plan extends the 15% increase to the Supplemental Nutrition Assistance Program (SNAP) through September and invests \$3 billion in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

Emergency paid leave - The plan would reinstate emergency paid leave provisions that expired last year and would last through the end of September.

Increase minimum wage - The plan would increase the federal minimum wage to \$15 per hour.

This plan builds upon the pandemic relief package Congress passed in December. That package included \$10 billion dedicated for child care a critical down payment on what is needed for the child care system to survive the pandemic. The December package also included direct payment stimulus checks and an extension of unemployment benefits.

Federal support for child care is more important than ever. Child care programs need support as they grapple with additional costs as a result of COVID-19, including recruiting and retaining the child care workforce. Without child care, we can expect the pandemic and its

economic impact to continue to disproportionately affect women who represented the entire net loss of jobs in our economy last year, with women of color hit the hardest. The pandemic's ongoing effect on the economy also means states are facing tough fiscal challenges in 2021 and will need support from the federal government. However, even if Congress passes the additional \$40 billion in relief for child care, it is emergency funding and provides only temporary support. The child care system needs ongoing, long-term federal investment to transform and rebuild.

As Child Care Aware® of America continues to advocate for robust emergency relief for the industry, we are also pushing for long-term improvements needed to address problems that existed in the child care system even before the pandemic. In our new report, Transforming Child Care: Cross Community Voices to Inform Change, CCAoA explores how to build a better child care system. However, to create a system that is affordable, accessible and high-quality, Congress must pass additional relief funding to ensure the system we have survives the pandemic.

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