

United States Senate

WASHINGTON, DC 20510

July 31, 2023

President Joseph R. Biden
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President:

We write today to express our concern regarding the continued child care crisis and the imminent end of the Child Care Stabilization Grants provided under the American Rescue Plan Act (ARPA) on September 30, 2023. According to the Department of Health and Human Services, this \$24 billion investment sustained 220,000 child care providers, saved an estimated 9.6 million child care slots, and more than 1 million child care jobs.¹ But the end of this funding will only worsen the crisis, and we urge you to join us in calling for an investment of \$16 billion a year by any and all means possible – including supporting Congress in efforts to extend the Child Care Stabilization grants passed in ARPA, and through emergency funding for child care in any supplemental appropriations package put forth by the Administration.

During the height of the COVID-19 pandemic, Congress and your Administration took important steps to ensure the child care industry received robust 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.

The most recent appropriations process yielded \$8 billion for CCDBG, which was an increase of \$1.85 billion or 30 percent from fiscal year 2022 funding. However, with the passage of the Fiscal Responsibility Act in June, Congress is already limited on discretionary spending. We have an urgent need to further stabilize an industry that has been long underfunded and struggling.

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.² 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 parent alone, while child care costs are unaffordable and unsustainable for working families. For years, the situation has been far worse for families with low incomes, families of color, and for families seeking infant and toddler care, care for children with disabilities, and care during non-traditional hours.

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

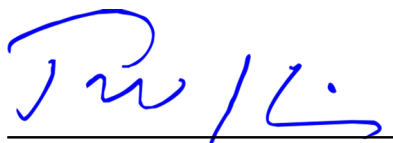
² <https://www.americanprogress.org/article/americas-child-care-deserts-2018/?msclkid=8fd5208bb9a111ec904894424a46ee05>

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. As of July 2023, the child care industry is missing 48,500 workers compared to pre-pandemic levels, further fueling the shortage of available child care for families.³ Between 2019 and 2022, the median hourly wage for child care workers grew only 3.1 percent whereas food service worker wages raised 8.7 percent and retail sales worker wages increased 5.6 percent.⁴ Without federal investment, child care providers who are already operating on slim profit margins are unable to raise wages without raising costs to families.

Now, the country is heading towards a funding cliff when child care stabilization funds and other relief funding that has been propping up an already fragile sector expire. It will be devastating to child care programs, children and their families, the child care workforce, and to the nation's economy. The Century Foundation estimates that over 70,000 child care programs will likely close, leaving 3.2 million families without child care and potentially costing the nation's economy \$10.6 billion per year.⁵

The pandemic emergency relief 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 work with Congress, utilizing every possible tool, including any emergency supplemental appropriations package, to provide \$16 billion to prevent the looming child care funding cliff. Thank you for your attention to this important matter.

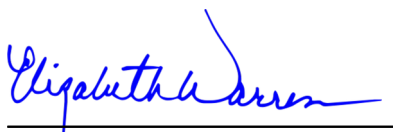
Sincerely,



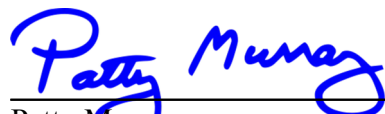
Tim Kaine
United States Senator



Tina Smith
United States Senator



Elizabeth Warren
United States Senator



Patty Murray
United States Senator

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

⁴ <https://nwlc.org/wp-content/uploads/2023/07/ChildCareDollarsFS.pdf>

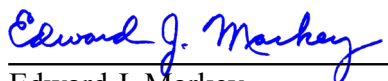
⁵ <https://tcf.org/content/report/child-care-cliff/>



Bernard Sanders
United States Senator



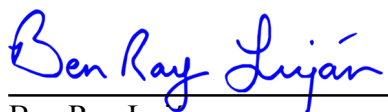
Tammy Baldwin
United States Senator



Edward J. Markey
United States Senator



Kirsten Gillibrand
United States Senator



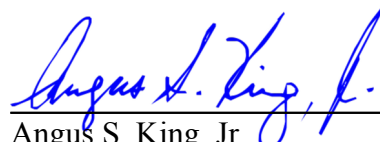
Ben Ray Lujan
United States Senator



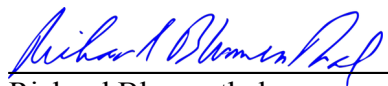
Christopher S. Murphy
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Martin Heinrich
United States Senator



Angus S. King, Jr.
United States Senator



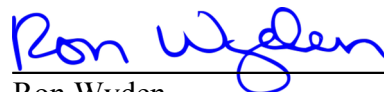
Richard Blumenthal
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Cory A. Booker
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Chris Van Hollen
United States Senator



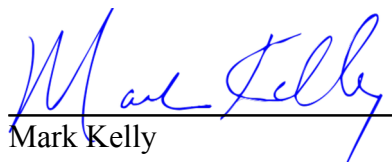
Ron Wyden
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Mark Kelly
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Robert Menendez
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Jeffrey A. Merkley
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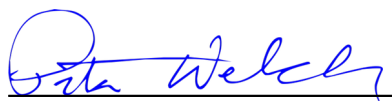
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Sheldon Whitehouse
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