

## ***Child Care for Working Families Act of 2023***

### **Background**

Across the country, too many families lack access to affordable, high quality child care that enables parents to work and helps children thrive. The cost of child care has increased by [220 percent](#) over the last three decades, forcing countless families— particularly mothers— to make impossible choices between going to work and paying for child care. Over half of families live in a child care [desert](#) as child care businesses across the country struggle to stay in business. Meanwhile, child care workers earn poverty-level wages and do not receive the pay or supports they deserve for their critical work. These challenges were exacerbated by the COVID-19 pandemic, making the nation’s child care crisis go from bad to worse.

Current federal funding through the Child Care Development Block Grant does not go far enough to serve all families who need support. According to the [Department of Health and Human Services](#), States subsidized care for only about 16 percent of federally eligible low- income children in FY19. The lack of public investment in child care not only hurts families, it’s also costing our nation’s economy dearly. On average, the U.S. economy loses [\\$122 billion](#) dollars each year due to lost wages and revenues because workers can’t get the child care need. In order to address the critical challenges the lack of affordable child care poses for both the workforce and individual families, investments in the existing child care system are needed.

Introduced every Congress since 2017, the *Child Care for Working Families Act* would make high-quality child care affordable for families and address the child care shortages that have, in many cases, made it impossible for families to even find an open slot. The *Child Care for Working Families Act* will ensure that working families pay no more than 7 percent of their income on child care, early childhood educators earn livable wages, and families have more child care options in their communities.

### **About the *Child Care for Working Families Act***

The *Child Care for Working Families Act (CCWFA)* would tackle the child care crisis through the creation of three key programs:

1. The Birth Through Five Child Care and Early Learning Program, a Federal-State Partnership, to ensure all working families have access to high-quality, affordable child care;
2. The Building an Affordable System for Early Education (BASE) Grants to ensure every State receives funding to support child care providers, increase worker pay, and improve access for families; and
3. The Universal Preschool Program to expand access to high-quality preschool programs.

CCWFA also provides funding for Head Start agencies to provide full school year and full school day services, and ensure Head Start and Early Head Start teachers and staff receive wages that are comparable to wages for elementary educators with similar credentials and experience in the State or, at a minimum, receive a living wage.

## **1. The Birth through Five Child Care and Early Learning Program**

### *Caps Costs for Working Families*

- No working family pays more than seven percent of their income on child care, regardless of the number of children they have. Families earning below 85 percent of the state median income will have free child care.

*Improves the Quality and Supply of Child Care for All Children and Increases Families' Child Care Options, including by:*

- Addressing child care deserts by providing grants to help open new child care providers, particularly in underserved communities.
- Increasing child care options for children who receive care during non-traditional hours.
- Supporting child care for children who are dual-language learners, children who are experiencing homelessness, and children in foster care.
- Creating more inclusive, high-quality child care options for children, infants, and toddlers with disabilities.
- Supporting training and professional development for the early childhood workforce.
- Providing grants to cover start-up and licensing costs to help establish new providers.

### *Supports Higher Wages for Child Care Workers*

Currently, the median hourly wage for a child care worker is just over [\\$13 an hour](#). Under CCFWA:

- Child care workers would be paid a living wage and achieve parity with elementary school teachers who have similar credentials and experience.
- Child care subsidies would cover the true cost of providing high-quality care.

### *Supports State Participation*

CCWFA creates a federal-state partnership that invests in making child care more affordable. Under the bill:

- The federal government covers 90 percent of the cost of high-quality child care services and the State covers only 10 percent.

### *Provides Funding for Localities and Head Start if States Do Not Join the Program*

- If a State chooses not to participate in the Birth to Five Child Care and Early Learning Program, the State will still receive BASE Grants, and the Secretary will open funding up to localities, including a city, county, or other local government.
- The Secretary is also required to provide funding to expand Head Start programs in the State.

## **2. The Building an Affordable System for Early Education (BASE) Grants**

### *Provides Grants to Help Defray Child Care Providers' Costs*

- Funding will be used to provide base funding to child care providers to support the stability of their programs and enable them to offer high-quality services for families.

- Child care providers must use funds to provide sustained, increased staff wages, provide cost of living increases, and graduated pay increases.
- They may also use funds to support staff bonuses and benefits, staff professional development, help pay for rent or mortgages, improve the quality of child care, and improve access to inclusive and developmentally appropriate care for children with disabilities.

*Provides Formula Funding to Every State*

- Funding will go out to every State based on the same formula used to distribute funds for the Child Care Development Block Grant (CCDBG).
- States have flexibility in determining how to distribute funds to eligible child care providers (including child care centers, family, friend and neighbor care, and family child care providers), but they must prioritize child care services for traditionally underserved families and families in need nontraditional or extended hours and providers that are small businesses.

### **3. The Universal Preschool Program**

*Expands Access to High-Quality Preschool Programs*

High-quality preschool programs are proven to put children on track for success. Under CCWFA:

- States would receive funding to establish and expand a mixed-delivery system of high-quality preschool programs for 3- and 4-year-olds.
- States must prioritize establishing and expanding universal local preschool programs within and across high-need communities.
- If a State does not choose to receive funding under this program, the Secretary can provide funds to localities, such as city, county, local government, a district, or a Head Start agency.

*Supports Higher Wages for Preschool Educators and Staff*

- Supports States in increasing staff wages. At a minimum, States must support a living wage for staff or equivalent to salaries of elementary school staff with similar credentials and experience.

### **4. Head Start Extended Duration and Wages**

- Provides funding to ensure all Head Start programs would receive the support they need to provide full-day, full-year programming.
- Provides funding to assist Head Start agencies (including Early Head Start agencies) in increasing wages to support a living wage or comparable wages to elementary teachers with similar credentials and experience in the State for Head Start teachers.