

March 19, 2020

The Honorable Nancy Pelosi
U.S. House of Representatives Washington, DC 20515

The Honorable Mitch McConnell
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
U.S. House of Representatives
Washington, DC 20515

The Honorable Chuck Schumer
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader McConnell, and Minority Leader Schumer,

We, the undersigned state organizations, write to request significant attention to and investment in the child care and early learning sector as Congress works to craft a third COVID-19 economic relief package. Child care is the backbone of the American economy; no recovery will be successful if families do not have access to safe, affordable child care for their children when they go back to their jobs. To help American families, stimulate consumer spending, support small businesses, sustain industries, and buttress the herculean efforts of medical professionals and other frontline workers who are supporting the economy, lawmakers must recognize that the through line in all of this is child care.

We believe that this package must include significant funding to maintain our nation's quality child care supply today and into the future, and that the funding must flow easily, quickly, and immediately without bureaucratic barriers. Child care providers are already operating on very small margins while the safety of children, families, educators and the community is paramount in decision-making, extended closures over the next several weeks or months could potentially put a substantial percentage of them out of business permanently, exacerbating the realities of the widespread child care deserts as they already exist today.

At the same time, many child care facilities are being asked to remain open in order to provide care to essential personnel and those who cannot work remotely in this time of incredible need and uncertainty. In this time of crisis, that means creating and supporting safe, responsive care in small settings that meet CDC requirements with trained staff—exactly the type of providers who may not be able to weather even a small change in their income. What we knew before this crisis – that the cost of care is a tremendous but essential economic burden that currently falls primarily on American families; that businesses across the country see firsthand the

interconnection between child care access and quality; that a reliable workforce is crucial; and the paramount importance of a reliable workforce; and the role that early childhood educators play the central role providers and child care teachers play in supporting it all of these moving pieces – all of this has only been exacerbated now.

To understand the breadth of the deepening crisis, the National Association for the Education of Young Children (NAEYC) shared a brief survey with child care programs to learn more about the challenges they are facing across states and settings, and the impact a closure without significant public support would have on a program moving forward.

From March 12-16, more than 6,000 providers responded to the survey, from all 50 states and the District of Columbia. 33 percent of respondents work in center-based child care, and another 53 percent work in family child care homes.

- Nationally, **30% say they would not survive a closure of more than two weeks** without significant public investment and support that would allow them to compensate and retain staff, pay rent or mortgages, and cover other fixed costs. 17% say they would not survive a closure of any amount of time.
- Another **16% would not survive longer than a month**, without these supports, and, because of the uncertainty of the situation, another 25% do not know how long they could close and still re-open without supports.
- Only 11% of programs are confident they could survive a closure of an indeterminate length without support.

Put simply—we stand to lose nearly half of our child care capacity in the next three weeks. States are using the flexibility available to them through the Child Care and Development Block Grant to shore up providers and support families in the short term, including waiving co-pays for parents, paying for care as centers are forced to close, and ensuring that staff can be paid even if they need to take leave. They are also working to ensure that essential personnel have child care but are already struggling to cover these costs and will be unable to support them for any length of time without substantial federal investment.

A disaster assistance/stimulus package must protect children, families, educators, our communities, and the child care system at large, and include direct funding to ensure that the current supply of child care is still here for parents in the future, whether that is in two months or six. Without financial supports available during the entire period of the crisis and available whether providers are open or not, the NAEYC data clearly show that child care providers will not survive closures—they will not exist when we need them to reopen.

To address these concerns, significant federal funding and flexibility is needed ***immediately and as directly as possible*** to do four things.

- First, ensure child care providers who are closed have access to federal funding that will allow them to pay staff and cover fixed costs, including but not limited to business

interruption grants. Child care providers vary widely in their current structures and funding streams. **No one financial tool will work for all providers, thus it is essential that child care be included in all available recovery programs.**

- Second, make sure that providers who are staying open during the crisis have the skills, expertise, resources, and support necessary to do so in licensed, safe, and healthy environments, and that the children attending their programs – particularly children of first responders, health care providers, and other essential personnel – are receiving child care assistance payments.
- Third, sustain the market today and into the future by providing assistance to child care programs across all settings, including family child care, as any other small business receiving relief.
- Fourth, ensure that child care providers, including centers and family child care owners, operators, staff, and the families they support are included in all other supports including paid leave, nutrition assistance, enhanced unemployment, grant programs, and other emergency disaster assistance.

Congress must address these critical priorities by supporting the following:

1. **Prioritize any new SBA Disaster Grants as proposed by the Senate Democrats and ensure that any grants would include eligibility for licensed and licensed-exempt child care providers (including, home-based, center-based, non-profit, and for-profit.)** Providing direct grants for eligible small business recipients to help cover the cost of lost business, the cost of providing paid sick and family leave, and more is critical to preventing many child care providers from permanently closing. Providers of all types often operate on razor thin margins and would not have the ability to pay back a loan of any kind.
2. **In any pending or future industry specific stimulus proposals the unique needs of licensed and licensed-exempt child care providers, as essential pieces of the national infrastructure must be considered by ensuring:**
 - Federal assistance is needed to establish and provide paid sick and family leave in public health emergencies. Child care providers are small businesses, running on very small margins and do not have the Human Resource capacity to operationalize leave programs requiring arduous paperwork and burdensome procedures, particularly during this time of crisis when their focus should be solely on serving children and families.
 - All child care system closures are accompanied by additional, necessary policies and funding that allows for access to unemployment compensation for all staff who work in center-based child care or own/operate/are staff of family child care homes.
 - Child care programs, in centers and homes, are automatically enrolled in mortgage forbearance, provided rent deferrals (when applicable), and given support for utility and insurance payments, for a minimum of three months and up to six months.

- Ensure emergency, disaster funding under the Stafford Act has the flexibility to provide direct funding assistance to all types of licensed and licensed exempt child care providers (including, home-based, center-based, non-profit and for-profit) to address immediate needs such as emergency staffing, costs associated with cleaning and sanitizing facilities, and providing training and support to staff.
- 3. **Provide funding to support child care programs that are being asked to remain open to serve essential and front-line workers, in which the programs are provided additional funding to cover the increased risks, pay and costs of maintaining services.** Providers should be given clear guidance on how to remain safe and practice social distancing and minimal contact while continuing to provide the quality care children and families need.
- 4. **Provide funding and authorization for Child Care Development Fund State Administrators to make grants to programs who are at risk of closing but are providing care in areas of high need such as first responders and health care.** Similarly, any funding going directly to states for immediate needs as determined locally, should have child care as an allowable use.
- 5. **Significant funding to support the authorized flexibility included in the recently released guidelines from the Administration for Children and Families (ACF).** This includes, but is not limited to, the need for increased funding as states waive co-pays, change eligibility to include essential personnel, build, establish, or maintain supply in areas impacted by the current crisis, provide grants or contracts to providers for equipment, supplies, professional development and staffing, or other costs and provide immediate assistance to impacted families/providers, even if they are not on CCDF.
- 6. **Provide additional funding for the Head Start and Early Head Start Programs.** Considering the breadth of the pandemic, it is likely that these recovery funds will be stretched thin and that, without additional federal funds being made available, the impact of this new flexibility for Head Start and Early Head Start grantees will be muted. Head Start and Early Head Start can be an effective disaster mitigation tool for low-income families, both now and once the crisis passes if more families are pushed into poverty by economic dislocation. We recommend that Congress provide additional funding to these programs to ensure this center of strength for families in the most precarious financial situation remains strong. At a minimum, additional funding should cover the costs of additional cleaning supplies needed to keep programs that stay open sanitary, and of additional substitute teachers.
- 7. **Protect the health and well-being of child care workers and their families by strengthening supports for those who are impacted by Covid-19.** This includes paid leave provisions such as those in the PAID Leave Act, additional TANF funding targeted to income support, emergency supports, and job creation, temporary increases in SSI payments, ensuring that families can access nutrition and food assistance by increasing SNAP benefits for all SNAP households and creating a new D-SNAP type benefit that is emergency disaster relief and available to people not otherwise eligible for SNAP, and suspending redeterminations, work reporting requirements and other paperwork burdens.
- 8. **Relieve the financial burden on states of increased health costs.** To ensure that families who need health care can get it, we also recommend that Congress further enhance

Medicaid match rate to relieve the financial burden on states. Expanded FMAP should include maintenance of effort requirements to ensure that states expand and simplify access to Medicaid and immediately stop actions to cut off access to health insurance through waivers.

Early childhood education programs are essential for the millions of children and families they serve and are particularly crucial during this emergency public health and economic crises. But their success is contingent upon receiving the robust investment they need to take necessary steps and precautions. We urge lawmakers to act swiftly to allocate substantial emergency flexible funding directly to the child care and early learning system in this country.

Respectfully,