

United States Senate

April 28, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer,

We write to strongly urge you to prioritize funding childcare in the next legislative package that responds to the public health and economic effects of the coronavirus pandemic and emergency. While the \$3.5 billion for childcare included in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was an important first step in helping to fund childcare for frontline healthcare workers and other essential employees, since its passage, we have only learned more about the extent of closures required by this pandemic and the dire situation that childcare providers are in, which necessitates additional relief. Accordingly, we urge you to provide at least \$50 billion in emergency funding in order to stabilize the entire childcare industry, provide childcare for essential workers including healthcare workers, and invest in childcare for our long-term economic recovery.

Childcare programs across this country have been pushed to the brink and many now find themselves making a difficult choice: stay open, providing childcare for essential workers and serving vastly fewer children with increased staffing and necessary cleaning costs and diminished tuition revenue, or close altogether to help stop the spread of the coronavirus. And given the already high cost of childcare, most families cannot afford to continue to pay for childcare they are not using, thus providers have seen an enormous drop in revenue, almost overnight. Initial survey data at the beginning of this crisis indicated that nearly 50 percent of childcare programs would not survive a closure of more than two weeks without an infusion of support.

This country has long neglected our responsibility to invest in childcare. Even before this pandemic, the challenge of finding affordable, high-quality, safe, and nurturing care has been a massive burden on families. The market for childcare was at risk heading into this crisis because even when their classrooms were filled before the pandemic, providers struggled to stay afloat on the thinnest of margins. As anyone who has cared for small children knows, childcare is labor-intensive work that is hard to scale and cannot be automated. So paradoxically, despite the fact that childcare often costs more than what families can pay, childcare workers are generally paid less than they deserve—workers who are often women and women of color. In more than half the states in the country, the cost of a year of childcare is more than a year of in-state college tuition.¹ The average cost of childcare for a *single* child is between nine percent to 36 percent of

¹ Claire Zillman, “Childcare Costs More than College Tuition in 28 U.S. States,” *Fortune*, October 22, 2018. <http://fortune.com/2018/10/22/childcare-costs-per-year-us/>

a family's total income, and that share increases dramatically with multiple children.² For single parents, the cost of center-based infant care could easily eat up between 27 percent to 91 percent of their average income.³ And even before childcare providers started laying off workers and closing their doors due to coronavirus, more than half of all Americans lived in childcare “deserts”—communities without adequate childcare options. Childcare deserts are especially prevalent in rural, Native, and Latinx communities.⁴

Providers throughout the market that are part of the subsidy system and the private-pay market are finding themselves unable to weather this economic storm without emergency help. Closures have already begun, and without a clear end in sight, the widespread effects are already being felt. We will not be able to rebuild our economy if this country's childcare system has collapsed because of this pandemic. When the economy can safely start to come back, millions of parents will not be able to return to work or reopen their own small businesses if they cannot find safe, affordable, and reliable care for their children. If childcare providers, both centers and family-childcare, are allowed to go out of business, we risk permanently reducing the supply of childcare in this country.

A recent economic analysis estimates that at least \$9.6 billion is needed each month to meet childcare needs for essential workers and to ensure existing providers who are forced to close during the pandemic can stay in business and reopen when it is safe to do so.⁵ The total economic impact of childcare is estimated to be \$99 billion a year, and state childcare officials and local providers are in dire straits, clamoring for support beyond what Congress has already provided if they are able to come out on the other side of this crisis.⁶

We urge you to provide at least \$50 billion in emergency funding to bailout childcare, an amount which will stabilize the system, keep providers in business, and ensure a viable path for parents to go back to work when it is safe to do so. We urge you to prioritize funding in order to:

Keep childcare available to frontline and essential workers: Many providers across the country are risking their own health to provide emergency care for the children of essential workers, including doctors, nurses, grocery store workers, and first responders. These providers are faced with the double whammy of increased costs (due to longer operating hours and the need for more intensive and frequent cleaning), and less revenue due to significantly reduced enrollment. We must provide emergency funding to childcare providers that need to stay open for our brave frontline and essential workers. This funding should also provide increased paid

² Economic Policy Institute, *Child care costs in the United States*, July 2019, <https://www.epi.org/child-care-costs-in-the-united-states/>

³ ChildCare Aware of America, *The US and the High Cost of Child Care*, 2018, <https://cdn2.hubspot.net/hubfs/3957809/costofcare2018.pdf>

⁴ Center for American Progress, *America's Child Care Deserts in 2018*, December 2018, <https://www.americanprogress.org/issues/early-childhood/reports/2018/12/06/461643/americas-child-care-deserts-2018/>

⁵ National Women's Law Center, *Child Care is Key to our Economic Recovery: What it will take to stabilize the system during this crisis*, April 23, 2020, <https://nwlc.org/resources/full-brief-child-care-is-key-to-our-economic-recovery-what-it-will-take-to-stabilize-the-system-during-this-crisis/>

⁶ Committee for Economic Development, *Child Care in State Economies – 2019 Update*, 2019, <https://www.ced.org/childcareimpact>

leave and hazard pay for childcare workers risking their own health to remain open and totally eliminate fees for essential workers during this crisis.

Keep all providers in business and all workers on payroll: Necessary closures have left tens of thousands of childcare providers without revenue to pay their workers or their basic operating expenses. We must provide emergency funding to save the sector from collapse and to prevent more unemployment. This funding should be used to maintain providers' payroll, cover mortgage or rent payments, provide employee benefits, and other business expenses. We must ensure that providers have the funding to train workers on new necessary health and safety procedures and to provide families with virtual learning opportunities and mental health support.

Invest in childcare long-term for when Americans can safely get back to work: Beyond the immediate need to keep the industry afloat during this emergency, we must rebuild the system to ensure that more families have access to high-quality, affordable childcare. This also includes improving childcare infrastructure and increasing wages for childcare workers, which would further boost our economic recovery when this pandemic is over. Providers will also need funding to support social-emotional learning and mental health to address the mental health needs caused by the pandemic. These structural investments are key to ensure the sector is prepared to care for the children of all Americans trying to get back to work once we are beyond this crisis.

We urge you to provide at least \$50 billion in emergency funding in a manner that ensures that every state, territory, and tribal nation gets needed funding quickly to get money out the door to providers. You can accomplish this through the Child Care and Development Block Grant by providing states with the flexibility necessary to immediately meet the needs outlined above and to gradually get the childcare system running again once parents return to work through an incremental approach that funds providers by classroom capacity rather than by child attendance.

Finally, childcare providers, especially those who encounter challenges in accessing support through state administered programs, need more certainty and more options. In addition to emergency funding, we urge you to ensure that small businesses and nonprofits involved in caring for children receive support from the Small Business Administration's Paycheck Protection Program. We have heard directly from providers facing significant obstacles to accessing support from the Paycheck Protection Program, established in the CARES Act. It's clear that key improvements to the program are needed so that childcare providers and all small businesses involved in caring for children and supporting families, including afterschool programs and summer camps, can receive direct support from it. We urge you to fully fund the Paycheck Protection Program and work with us to ensure that any qualifying small businesses and nonprofits involved in caring for children and supporting families can easily and reliably access it.

We have only two options as a country: we can either do what is needed to stabilize the childcare system, or we can watch childcare providers collapse, one by one in our communities, leaving children, families, and childcare workers with no system to return to and hamstringing our

economic recovery. We must act to save childcare and ensure that it can be an active engine in our eventual economic recovery. Thank you for your attention to this important matter.

Sincerely,

/s/ **Tina Smith**
Tina Smith
United States Senator

/s/ **Elizabeth Warren**
Elizabeth Warren
United States Senator

/s/ **Robert P. Casey, Jr.**
Robert P. Casey, Jr.
United States Senator

/s/ **Mazie K. Hirono**
Mazie K. Hirono
United States Senator

/s/ **Cory A. Booker**
Cory A. Booker
United States Senator

/s/ **Kirsten Gillibrand**
Kirsten Gillibrand
United States Senator

/s/ **Richard J. Durbin**
Richard J. Durbin
United States Senator

/s/ **Ron Wyden**
Ron Wyden
United States Senator

/s/ **Edward J. Markey**
Edward J. Markey
United States Senator

/s/ **Doug Jones**
Doug Jones
United States Senator

/s/ **Sherrod Brown**
Sherrod Brown
United States Senator

/s/ **Tammy Baldwin**
Tammy Baldwin
United States Senator

/s/ **Jacky Rosen**
Jacky Rosen
United States Senator

/s/ **Christopher S. Murphy**
Christopher S. Murphy
United States Senator

/s/ **Jack Reed**
Jack Reed
United States Senator

/s/ **Kamala D. Harris**
Kamala D. Harris
United States Senator

/s/ **Richard Blumenthal**
Richard Blumenthal
United States Senator

/s/ **Dianne Feinstein**
Dianne Feinstein
United States Senator

/s/ **Margaret Wood Hassan**
Margaret Wood Hassan
United States Senator

/s/ **Chris Van Hollen**
Chris Van Hollen
United States Senator

/s/ **Tim Kaine**
Tim Kaine
United States Senator

/s/ **Sheldon Whitehouse**
Sheldon Whitehouse
United States Senator

/s/ **Amy Klobuchar**
Amy Klobuchar
United States Senator

/s/ **Bernard Sanders**
Bernard Sanders
United States Senator

/s/ **Michael F. Bennet**
Michael F. Bennet
United States Senator

/s/ **Martin Heinrich**
Martin Heinrich
United States Senator

/s/ **Tammy Duckworth**
Tammy Duckworth
United States Senator

/s/ **Christopher A. Coons**
Christopher A. Coons
United States Senator

/s/ Robert Menendez
Robert Menendez
United States Senator

/s/ Thomas R. Carper
Thomas R. Carper
United States Senator

/s/ Mark R. Warner
Mark R. Warner
United States Senator