

December 18, 2023

Shalanda Young
Office of Management and Budget
1650 17th Street NW
Washington, DC 20500

Dear Director Young:

As the Office of Management and Budget (OMB) works to finalize the President's Budget proposal for fiscal year 2025, we write to encourage your continued support for the core federal early learning and care programs and ask you to build upon recent bipartisan investments to ensure more children and families receive access to the high-quality care they need. We, the undersigned organizations, represent children and families, early educators, school-age afterschool and summer programs, small businesses and workers, civil rights and faith-based organizations, experts, and advocates working daily to strengthen America's child care system for all.

Child care and early learning programs play a crucial role in supporting children's healthy development, learning, and school readiness, while also supporting parents' and families' ability to work, train, or pursue an education. Given the value of these opportunities, we greatly appreciate the prioritization of increased funding for federal early learning programs in recent years. This funding has helped extend the reach of state and federal programs to serve more families and improve the overall quality of care. Unfortunately, the needs of working families continue to be great. At the current funding levels, core federal programs reach just a fraction of eligible families¹, leaving far too many struggling to find and afford high-quality care that meets their needs. This has cascading impacts on children, families, businesses, and our economy.

Today, according to the latest data from the Bureau of Labor Statistics, the child care sector is still down approximately 38,200 jobs² from pre-pandemic levels, so families are left with an even smaller supply of care as nearly all other sectors have completely recovered. While critical federal pandemic relief provided additional support for the workforce and stabilization grants helped keep providers open and the sector afloat, it was temporary. As the expiration of these funds has passed, now is the time to continue investments in core federal programs to increase

¹ The most recent data available indicate the Child Care and Development Block Grant (CCDBG) and Head Start program serve just a fraction of eligible families – 15% of eligible families received a subsidy under CCDBG, and 36% and 11% of eligible children had access to Head Start and Early Head Start's comprehensive services, respectively. Likewise, federal investments in both the Individuals with Disabilities Education Act (IDEA) Part C infant and toddler program and Part B, Section 619 preschool program have failed to match increases in the number of children served, as well as the cost of inflation. Consequently, both programs have experienced significant erosion of funding over the last two decades. According to the U.S. Department of Education, this has caused financial constraints at the state level that have impacted access to services.

² Center for the Study of Child Care Employment, UC Berkeley. Source: U.S. Bureau of Labor Statistics, "Current Employment Statistics," Series Code: CES6562440001, available at <https://beta.bls.gov/dataViewer/view/timeseries/CES6562440001>

the supply of child care and ensure parents have a range of reliable options when and where they need them. This is urgent—to ensure that the child care program closings, departure of staff, and rising costs do not continue. We need to invest now before these negative impacts snowball into damaging and large-scale impacts that the sector is not able to recover from. To that end, as a community, we request that the President’s Budget proposal for fiscal year 2025:

- Build on last year’s historic investment by proposing at least **\$600 billion over ten years** to establish a guarantee to affordable, high-quality child care and early education.

Request annual spending for child care and early education programs in the following amounts:

- Double the **Child Care and Development Block Grant (CCDBG) to at least \$17.4 billion³** to help grow the supply and availability of care for more families while supporting states in making targeted investments to their child care systems aligned with longer-term needs. This request is in addition to continued efforts to secure at least \$16 billion in child care stabilization funding to address the effects of the cliff that resulted from American Rescue Plan dollars expiring on September 30, 2023.
- At least **\$17.47 billion for Head Start**, and specifically at least **\$1 billion to expand Early Head Start**, to sustain and support the workforce; provide flexibility to address local quality improvement priorities; address the epidemic of childhood trauma; and restore critical purchasing power while addressing deferred maintenance issues and facility constraints. We urge that **\$2.7 billion be set aside for compensation** so the salary for Head Start teachers can be commensurate with that of their K-3 public school counterparts with comparable qualifications as proposed in the Biden Administration’s recent proposed rulemaking to strengthen Head Start and address staffing shortfalls that restrict full enrollment. Furthermore, we urge that the remaining funds, separate from the compensation funding, support a COLA of at least 3.5%, significant expansion of quality improvement funding, and continued recruitment and development of staff for American Indian/Alaska Native Programs.
- At least **\$1.65 billion total for the Individuals with Disabilities Education Act (IDEA)** for early childhood services, including at least **\$974.8 million for early intervention services under Part C**, and at least **\$683.5 million for preschool special education services under Part B**, Section 619. Research has shown that the earlier provision of services leads to improved outcomes and can mitigate the need for more extensive services later in childhood. This funding is essential to ensure that young children with disabilities are ready to learn when they enter school.
- At least **\$500 million for the Child Care Access Means Parents in School (CCAMPIS)** program, which would ensure that roughly 100,000 more parenting college students receive the child care assistance they need to continue their educational journeys and be successful in college.
- Resources to enable the **Child and Adult Care Food Program (CACFP)** to address long-standing shortfalls that make it difficult to participate, including providing a 10-cent increase needed to address more expensive meal standards for all eligible meals and snacks, reimbursing an additional meal service, and eliminating “tiering” which has

³ This assumes the Senate proposed increase for FY24 passes.

resulted in more than a 50% drop in the participation of family child care providers from the program. CACFP enables child care programs to provide healthy, nutritious meals for more than 4.2 million children and babies each day by reimbursing a portion of the expenses for healthy meals and snacks in Head Start, Early Head Start, and participating child care programs in both centers and family child care programs.

Such investments in annual appropriations would allow these programs to continue to provide sustained services to children and families with low incomes, improve compensation in order to recruit and retain a talented workforce, and meet their statutory and regulatory requirements. For example, a portion of CCDBG funds must be used for quality improvement. However, faced with limited funds, states must balance many competing priorities, such as increasing payment rates, serving more children, and expanding eligibility, making difficult decisions that come with tradeoffs.

We have seen what can happen when federal investments are made – care becomes more affordable for families, and more children are served in high-quality settings. Additionally, state-federal partnerships have continued to gain momentum, spurring additional state and local investments, resulting in encouraging progress that can only continue with foundational commitments at the federal level. Now is the time to build upon federal investments to advance more early learning and care opportunities for families – anything short will surely move our tenuous system in reverse, holding back families and our economy.

Sincerely,

Afterschool Alliance
 All Our Kin
 American Federation of State, County, and Municipal Employees (AFSCME)
 American Federation of Teachers
 The Arc of the United States
 Campaign for a Family Friendly Economy
 Campaign for Childcare
 Care in Action
 Caring Across Generations
 Center for Law and Social Policy (CLASP)
 Chamber of Mothers
 Child Care for Every Family Network
 Child Care Law Center
 Coalition on Human Needs
 Community Change Action
 Council for Professional Recognition
 Demos
 Economic Progress Institute
 Family Values @ Work

First Focus Campaign for Children
Food Research & Action Center
Home Grown
Institute for Women's Policy Research
Low Income Investment Fund
Main Street Alliance
Mom Congress
Moms First
MomsRising
National Association for Family Child Care
National Association for the Education of Young Children
National Children's Facilities Network (NCFN)
National Domestic Workers Alliance
National Head Start Association
National Indian Child Care Association
National Women's Law Center
Neighborhood Villages
Oxfam America
Service Employees International Union (SEIU)
Shma Koleinu: Hear Our Voices
Small Business Majority
United Parent Leaders Action
UPLAN
Washington State Parent Ambassadors
YWCA USA
ZERO TO THREE