NACo LEGISLATIVE BRIEF

PROPOSALS TO ADDRESS THE COVID-19 CHILD CARE CRISIS

Updated October 2020

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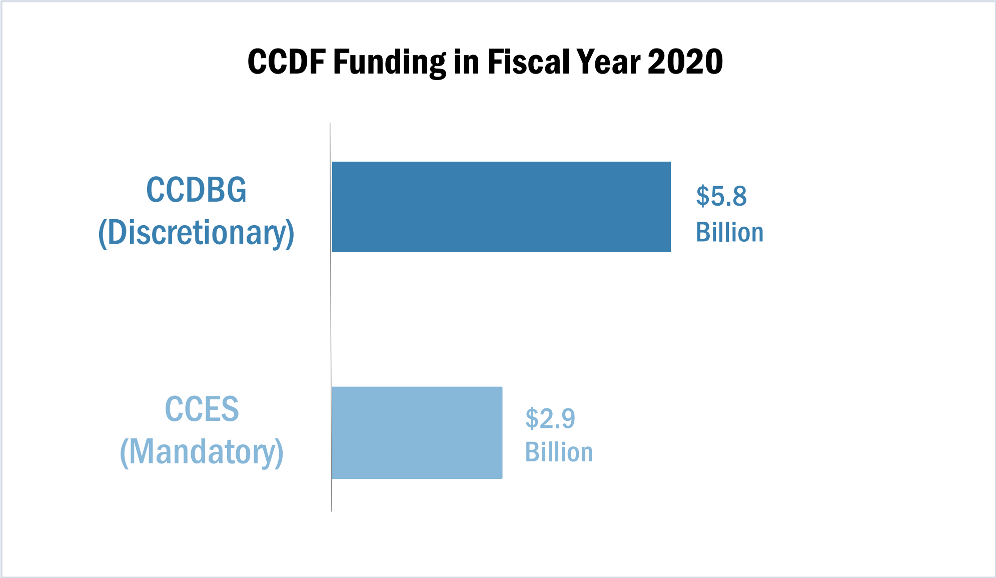
EXECUTIVE SUMMARY

While federal child care programs are primarily regulated at the state level, counties can play a significant role in licensing child care providers, offering child care assistance to low income residents, referring families to child care resources and providing local funding to help build the supply of child care. County governments are responsible for administering the Child Care and Development Fund (CCDF) in at least eight states, according to the most recent available state plans: **Colorado, Minnesota, North Carolina, North Dakota, New York, Ohio, Virginia and Wisconsin.**

OVERVIEW: THE CHILD CARE AND DEVELOPMENT FUND (CCDF)

Current legislative proposals to strengthen the child care industry involve CCDF, the federal government's fund source for child care subsidies to help eligible low-income families access child care and improve the quality of child care for all children.

CCDF is comprised of both a mandatory component (not subject to the annual appropriations process), the **Child Care Entitlement to States (CCES)**, and a discretionary portion, the **Child Care and Development Block Grant (CCDBG)**, which Congress must fund every fiscal year.



The COVID-19 Child Care Crisis

With 60 percent of the nation's licensed providers closed due to the pandemic and one-third of the nation's child care workers laid off or furloughed due to COVID-19, the child care sector is one of the industries hit hardest by the pandemic. To reopen safely, many child care providers face steep costs associated with heightened sanitation measures, Personal Protective Equipment (PPE) and classroom size reduction.

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act; PL 116-136), Congress provided $3.5 billion in supplemental funding for CCDBG, which the Department of Health and Human Services (HHS) released to states, tribes and territories on April 29. CCDF Lead Agencies were instructed to use the funds to prevent, prepare for and respond to COVID-19, giving them flexibility to provide child care assistance to health care sector employees, emergency responders, sanitation workers, and other workers deemed essential during the response to the coronavirus, without regard to the income eligibility requirements.

THE COVID-19 CHILD CARE CRISIS

- **1/3** of child care workers nationwide have been laid off or furloughed
- **60 percent** of the nation's licensed child care programs have closed due to the pandemic
- Experts project the loss of **4.5 million** child care slots
- The industry faces an estimated shortfall of **$9.6 billion** a month

Sources: *National Association for the Education of Young Children*, *Bipartisan Policy Center*, *Center for American Progress*, *National Women's Law Center & Center for Law and Social Policy*

Legislative Proposals for Child Care Relief

In the coming months, bipartisan lawmakers have acknowledged the steep challenges that continue to face the child care sector called for additional relief to support a quick economic recovery from the pandemic. On May 12, Senators Joni Ernst (R-Iowa) and Lisa Murkowski (R-Alaska), Kyrsten Sinema (D-Ariz.) and Jeanne Shaheen (D-N.H.) led a group of 19 other bipartisan Senators in a Dear Colleague addressed to Senate Leadership urging additional relief for child care in any forthcoming aid package. Members of Congress from both sides of the aisle have also introduced legislation utilizing a wide range of policy levers to invest billions of dollars in the struggling industry.

On May 22, Senators Joni Ernst (R-Iowa) and Kelly Loeffler (R-Ga.) introduced a Resolution (S.Res.594) calling for **$25 billion** in additional support for child care providers and workers through the Child Care and Development Block Grant (CCDBG). These funds would support child care providers in paying costs associated with closures and/or decreased attendance or enrollment related to coronavirus and to ensure providers are able to remain open or reopen as appropriate.

On May 27, Representatives Rosa DeLauro (D-Conn.) and Bobby Scott (D-Va.) joined Senator Patty Murray (D-Wash) to release the ***Child Care is Essential Act*** (H.R.7027/S.3874) to create a **$50 billion** Child Care Stabilization Fund within the CCDBG program. Grants would be available to licensed, regulated, or registered child care providers that are currently open or temporarily closed due to COVID-19, regardless of whether they have received funding through CCDBG in the past. On July 29, the House of Representatives passed H.R. 7027 in a 249 to 163 vote.

On June 25, Representatives Richard Neal (D-Mass.), Nita Lowey (D-N.Y.), Danny Davis (D-Ill.), Katherine Clark (D-Mass.), Rosa DeLauro (D-Conn.) and Linda Sánchez (D-Ca.) introduced the ***Child Care for Economic Recovery Act*** (H.R. 7327). Combining provisions under the jurisdiction of the House Committee on Ways and Means, House Committee on Education and Labor and House Appropriations Committee, the legislation would expand greater tax benefits for child care expenses, provide support for providers and provide **$50 billion** over 5 years in mandatory funding for federal child care programs. On July 29, the House of Representatives passed H.R. 7327 in a 250 to 161 vote. This legislation includes provisions from Representative Clark's standalone bill, the ***Child Care is Infrastructure Act of 2020*** (H.R. 7201) to fund physical improvements in child care centers and direct the Administration for Children and Families to conduct a needs assessment of the critical infrastructure and supply issues facing the child care industry in the wake of the COVID-19 pandemic.

On July 14, Senators Joni Ernst (R-Iowa) and Lamar Alexander (R-Tenn.) released draft legislation, the ***Back to Work Child Care Grants Act of 2020***, that would authorize grants to states to provide up to 9 months of financial assistance to child care centers, operators and providers.

On September 24, Senators Ron Wyden (D-Ore.), Bob Casey (D-Pa.) and Sherrod Brown (D-Ohio) released draft legislation, the ***Rebuilding a Better Child Care Infrastructure Act,*** which would provide **$40 billion** in short and-long-term funding for CCES to support child care infrastructure improvements (including specific issues exacerbated by COVID-19) and improve child care quality, supply and affordability in child care deserts.

Broader COVID-19 Relief Discussions

Congress and the Administration last took legislative action to provide COVID-19 relief on April 24, 2020. Since then, efforts to produce a fifth COVID-19 response bill have moved mostly along party lines, with Democrats in the U.S. House of Representatives passing the *Health and Economic Recovery Omnibus Emergency Solutions Act* (HEROES; H.R. 6800). On October 30, the House also passed a revised, scaled-back measure of that package (H.R. 8604).

In July, Majority Leader Mitch McConnell (R-Ky) released a relief package comprised of several individual bills, the *Health, Economic Assistance, Liability Protections and Schools Act* (HEALS). On September, 10 the upper chamber failed to advance a scaled back version of the HEALS Act—the *Delivering Immediate Relief to America's Families, Schools and Small Businesses Act* (S.178).

As House and Senate leadership moved their relief packages, the bipartisan House Problem Solvers Caucus on September 15 released a $1.5 trillion framework representing a middle road between the HEROES Act and HEALS Act to help break the stalemate in negotiations. The "March to Common Ground" framework contains broad objectives for a future relief bill but not any legislative text.

While all the major COVID-19 relief package proposals have included provisions to offer child care relief, funding levels and mechanisms for offering resources have varied. Regardless, support for federal dollars to shore up the child care sector remains bipartisan.

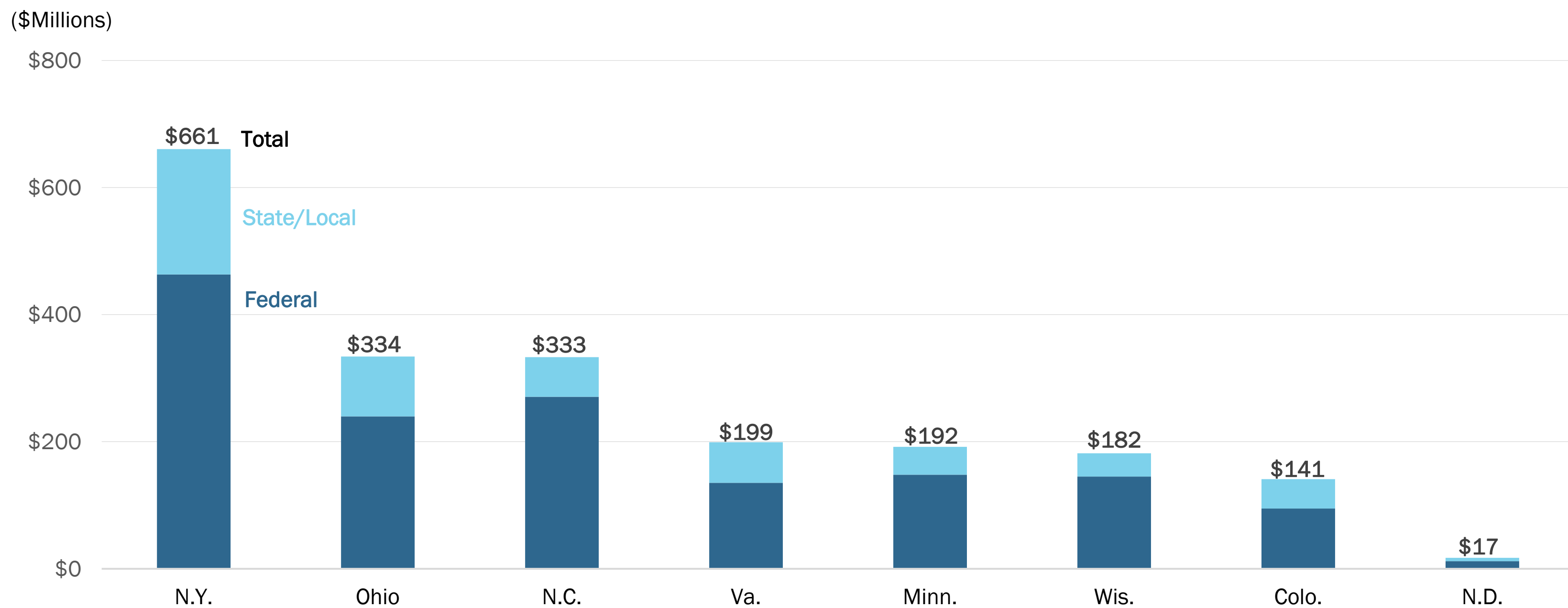
County priorities for child care in any upcoming relief package include targeted investments in the child care sector to ensure our residents can return to work while placing their children in safe and developmentally appropriate settings. Counties also urge Congress to provide direct, flexible aid to county governments of all sizes that can apply to lost revenue due to the COVID-19 crisis, which could provide county leaders with additional resources to meet the child care needs of our communities.

This legislative brief provides an overview of the county role in supporting access to safe, high-quality child care for our residents, particularly in response to COVID-19. It also summarizes legislative proposals to shore up the child care industry and analyzes the implications of those proposals for county governments.

THE COUNTY ROLE IN CHILD CARE

Counties recognize the importance of high-quality child care as a foundation to healthy development in young children that boosts their long term educational and employment outcomes. Additionally, investments in quality child care are a critical aspect of workforce development, as lack of access to affordable, quality child care represents a common barrier for low-income parents seeking to access employment. Programs to invest in training and retention for the child care workforce similarly offer pathways to more sustainable employment in that profession.

FY 2018 CCDF EXPENDITURES IN COUNTY ADMINISTERED STATES



Source: U.S. Department of Health and Human Services, CCDF Expenditures for FY 2018, Table 4a – All Expenditures by State

County governments are responsible for administering the Child Care and Development Fund (CCDF) in at least eight states according to the most recent available state plans: **Colorado, Minnesota a, North Carolina, North Dakota, New York, Ohio, Virginia and Wisconsin.** In FY 2018, these eight states together invested more than $2 billion in federal, state and local funds in the CCDF program, accounting for more than a fifth of the national total.

The scope of the county role in administering CCDF varies, but means that county governments in these states may set policy related to eligibility, sliding fee scales, and payment rates, as well as perform eligibility determinations, issue provider payments, connect parents with child care and more. Additionally, counties administering CCDF may contribute county general revenue funds to help meet the required non-federal match for the Child Care Entitlement to States (CCES), the mandatory portion of the program.

The county role in supporting child care extends far beyond the administration of CCDF, however. County governments administering federal human services programs such as the Temporary Assistance for Needy Families program (TANF) and Social Services Block Grant (SSBG) may also draw on those funding streams to invest in the supply and quality of child care for low-income families receiving public assistance. And regardless of the county role in administering federal programs, many counties contribute local dollars to efforts with cross-sector partners to build the supply of high quality child care, whether by creating an inventories of local supply and demand and developing plans to bridge gaps, creating centralized intake and referral systems for families with children, helping providers meet quality standards, offering child care as a wrap-around support for participants in employment and training programs and more.

COUNTY PRIORITIES FOR CHILD CARE DURING COVID-19

- In a March 2020 letter to Congressional Leadership, the National Association of Counties (NACo) encouraged Congress to provide emergency funding for CCDBG, encouraging the distribution of funds based on need, rather than statutory formulas, to ensure maximum effectiveness at responding to the crisis.

- In a letter submitted for the record during a June 22 House Ways and Means Committee hearing on the “Child Care Crisis and The Coronavirus Pandemic,” NACo urged Congress to provide targeted assistance to child care programs and to provide direct aid to states and counties to help county governments supplant lost revenue, a key source of local funding for programs that boost child care quality and supply.

- NACo has endorsed legislation that would invest in child care infrastructure and workforce needs exacerbated by COVID-19

COVID-19 Response

The COVID-19 crisis has created new challenges and opportunities for county leaders to invest in child care. Providing emergency child care for essential workers has proved a critical component of supporting the many county employees serving on the front lines of the pandemic response. Meanwhile, local economic recovery from the COVID-19 crisis hinges on the ability of many county residents to access child care so that they can return to work.

EMERGENCY CCDBG ALLOCATIONS IN COUNTY ADMINISTERED STATES			
Colorado	$42.5 M	**North Dakota**	$6 M
Minnesota	$48.1 M	**Ohio**	$117 M
New York	$163 M	**Virginia**	$70.8 M
North Carolina	$118 M	**Wisconsin**	$51.6 M

County governments have developed innovative strategies to address the impacts of COVID-19 on access to child care at the local level while meeting state and local health and safety requirements. Most states with county administered CCDBG programs opted to quickly disburse emergency CCDBG funds to support existing publicly funded child care programs (for instance, stabilizing subsidy payments, expanding income eligibility for the program and aiding the purchase of PPE and other supplies paying) and/or provide grants to licensed providers to ensure essential employees and first responders have access to child care.

To supplement this use of emergency funds, county governments have drawn on other federal funding streams and local dollars and partnered with businesses and non-profit stakeholders to shore up child care supply.

COUNTIES UTILIZING LOCAL FUNDS FOR CHILD CARE RELIEF

- **King County, Wash.** approved $2.2 million in funding to offer free child care to emergency child workers during the pandemic, relying on the local Child Care Resource and Referral Agency to match families with licensed providers
- **Montgomery County, Md.** approved $10 million to fund a Child Care Recovery to assist providers serving low-income families with reopening costs
- **Dane County, Wis.** approved $3.5 million for a grant program to help 500 child care providers to be administered by the local Child Care Resource and Referral Agency
- **Onondaga County, N.Y.** provided $7 million to support child care for essential workers in cooperation with the county Child Care Resources and Referral Agency

This includes utilizing the Coronavirus Relief Fund, $150 billion fund provided by the CARES Act for state, county and municipal governments with populations of over 500,000 people to address necessary expenditures incurred due to the COVID-19 public health emergency.

COUNTIES UTILIZING CRF ALLOCATIONS FOR CHILD CARE RELIEF

- **San Diego County, Calif.** approved $5 million of the county's CRF allocation to provide child care vouchers to essential workers, an amount matched by the city of San Diego
- **Franklin County, Ohio** approved $2 million of the county's CRF allocation for grants to support child care providers serving low-income families. The city of Columbus is contributing $6.8 million of its allocation to this program
- **Alachua County, Fla.** approved $21.1 million of the county's CRF allocation for Individual Assistance Grants that can be used for child care, among other supports
- **Santa Clara County, Calif.** approved $2.5 million of the county's CRF allocation to help child care programs in the county remain in business and purchase supplies
- **Greenville County, S.C.** approved $1.71 million of the county's CRF allocation for grants to help family and center based child care providers offset additional costs incurred because of COVID-19
- **St. Louis County, Mo.** Approved $5 million of the county's CRF allocation for a child care relief fund aimed at helping providers weather the costs of business interruption and compliance with county and CDC public health guidelines relating to COVID-19
- **Harris County, Texas** approved $30 million of the county's CRF allocation for grants to assist vulnerable households with housing, electricity, food, child care and other essential needs

Given the important county role in supporting high-quality child care and the critical importance of child care to successful COVID-19 response and reopening, county governments support new and robust federal resources to help stabilize the industry and meet the unique needs of our communities.

MAJOR LEGISLATIVE PROPOSALS TO ADDRESS THE COVID-19 CHILD CARE CRISIS

Senate Resolution (S.Res.594)

- Sponsors: Sens. Joni Ernst (R-Iowa) and Kelly Loeffler (R-Ga.)
- Committees of Jurisdiction: Senate Health, Education, Labor and Pensions (HELP) Committee
- Major Focus: Increased CCDBG funding

On May 22, Senators Joni Ernst (R-Iowa) and Kelly Loeffler (R-Ga.) introduced a Senate Resolution (S.Res.594) calling for **$25 billion** in additional support for child care providers and workers through the Child Care and Development Block Grant (CCDBG). These funds would support child care providers in paying costs associated with closures and/or decreased attendance or enrollment related to coronavirus and to ensure providers can remain open or reopen as appropriate.

The resolution notes that an estimated additional $25 billion in CCDBG funding is needed at a minimum for States to ensure that child care providers can either remain open or reopen facilities when appropriate. If adopted, it would be resolved that the Senate calls for “significant funds” to be made available through CCDBG for maintenance grants for existing eligible child care providers participating in the program.

The resolution would not carry statutory weight or authorize funding, but signals support for increased CCDBG funding in a future COVID-19 relief package.

Counties support legislation that would protect and increase investments in early childhood development to ensure that needed educational, nutritional and social services are available to children in the critical years of development between birth and age three, including publicly funded child care. Counties support increased federal funding for CCDBG to meet the needs of eligible families.

The Child Care is Essential Act (H.R. 7027/S.3874)

- Sponsors: Reps. Rosa DeLauro (D-Conn.) and Bobby Scott (D-Va.), Senator Patty Murray (D-Wash)
- Committees of Jurisdiction: House Appropriations Committee, House Budget Committee, Senate Health, Education, Labor and Pensions Committee
- Major Focus: Child Care Stabilization Fund

On May 27, Representatives Rosa DeLauro (D-Conn.) and Bobby Scott (D-Va.) joined Senator Patty Murray (D-Wash) to release the ***Child Care is Essential Act*** (H.R.7027/S.3874) to create a **$50 billion** Child Care Stabilization Fund with an emergency appropriation to the CCDBG program, to be available through September 30, 2021.

The Stabilization Fund would be administered through the existing CCDF lead agency of each state, tribe or territory. However, grants would be available to licensed, regulated, or registered child care providers that meet state health and safety standards and are currently open or temporarily closed due to COVID-19 **regardless of whether they had previously received funding through CCDBG.**

The legislation instructs CCDF lead agencies to make grant awards based on providers' pre-COVID-19 operating costs with adjustments to reflect the additional cost of providing care due to the pandemic. Additionally, CCDF lead agencies are directed to equally distribute the grants between eligible child care centers, home based child care providers, and family child care homes.

ELIGIBLE USES FOR PROPOSED CHILD CARE STABILIZATION GRANTS

- Personnel costs, including premium pay, employee benefits, and employee salaries.
- Sanitization and cleaning, personal protective equipment, and other necessary equipment.
- Training and professional development related to health and safety practices.
- Fixed costs, including mortgage obligations, rent, utilities, and insurance.
- Mental health supports for children and employees.
- Modifications to child care services due to COVID-19
- Other goods and services necessary to maintain or resume operation of the child care program or to maintain the viability of the child care provider.

To be eligible for stabilization funds, child care providers must provide good-faith evidence that COVID-19 has impacted ongoing operations continue to employ and pay their staff and to provide families with relief from copayments and tuition as a condition of receiving grant funds.

Open providers would be required to meet health and safety guidance from the Center for Disease Control and Prevention and state and local authorities, and closed providers would have to provide an assurance that they will reopen their program when they are able to implement such guidance.

Under the bill, Lead Agencies are additionally tasked with reserving no more than 10 percent of their allocation for the administration of subgrants, including the development of data systems. Agencies may also use these reserved funds to provide technical assistance, application support and widespread outreach to eligible child care providers, either directly or through resource and referral agencies or staffed family child care networks.

Additionally, Agencies are able to use reserved funds to carry out activities to improve the supply and qualify of child care during and after the COVID–19 public health emergency, such as conducting community needs assessments, carrying out child care cost modeling, making improvements to child care facilities, increasing access to licensure or participation in the State's tiered quality rating system, and carrying out other eligible activities.

Counties support legislation that would protect and increase investments in early childhood development to ensure that needed educational, nutritional and social services are available to children in the critical years of development between birth and age three, including publicly funded child care. Counties believe high-quality child care services that meet the developmental needs of children are needed and support increased federal funding for CCDBG to meet the needs of eligible families. Counties support the provision of enough federal child care funds to, at a minimum, ensure that quality services are available to families with incomes of up to 225 percent of the federal poverty level. Counties support making federally funded child care available to working parents on a fee scale based on their ability to pay and believe that financial support should be made available for infant care, child care for children with special needs, children in foster care, and child care during non-traditional hours when needed.

The Child Care for Economic Recovery Act (H.R. 7327)

- Sponsors: Reps. Richard Neal (D-Mass.), Nita Lowey (D-N.Y.), Danny Davis (D-Ill.), Katherine Clark (D-Mass.), Rosa DeLauro (D-Conn.) and Linda Sánchez (D-Ca.)
- Committees of Jurisdiction: House Ways and Means Committee, House Appropriations Committee, House Budget Committee
- Major Focus: Tax credits, increased funding for CCES, infrastructure grants

On June 25, Representatives Richard Neal (D-Mass.), Nita Lowey (D-N.Y.), Danny Davis (D-Ill.), Katherine Clark (D-Mass.), Rosa DeLauro (D-Conn.) and Linda Sánchez (D-Ca.) introduced the ***Child Care for Economic Recovery Act*** (H.R. 7327). Combining provisions under the jurisdiction of the House Committee on Ways and Means, House Committee on Education and Labor and House Appropriations Committee, the legislation—which represents the largest COVID-19 child care package introduced yet—would focus on a wide range of policy levers to boost the long-term supply of affordable and safe child care:

Tax Credits and Benefits: The bill would expand the Child and Dependent Care Tax Credit (CDCTC)—which lowers an individual's federal income tax liability based on child and dependent care expenses he or she incurred in order to work or look for work--by making it fully refundable. This shift would make the credit available to low income families who currently do not have a high enough tax liability to take advantage of it. Additionally, the bill would increase the size of the CDCTC by doubling the amount of eligible expenses, boosting the maximum credit rate to 50 percent and indexing the credit to inflation.

Under the bill, child care providers subject to closure due to COVID-19 would also be eligible for a 50 percent refundable tax credit for fixed costs such as rent, mortgage and utilities. The legislation also creates a new 30 percent refundable payroll tax credit for certain employee dependent care expenses paid by employers (up to $2,500 per employee per quarter), which county governments would be eligible to claim. Additionally, the bill would roughly double the amount that can be contributed to a dependent care Flexible Savings Account (FSA) and allow employers to permit employees with dependent care FSAs to carry over unused benefits or contributions from 2020 to 2021.

The bill also expands the employee retention tax credit (ERTC) to incentivize employers of household domestic workers to continue to pay those employees. Employers can receive the credit on wages they pay domestic workers who cannot work due to a governmental order.

Child Care Entitlement to States: Complimenting the Child Care Stabilization Fund created through the discretionary portion of CCDBG in the *Child Care is Essential Act,* the *Child Care for Economic Recovery Act* would increase the guaranteed funding level for CCES from $2.9 billion **to $10 billion per year**. The increase would begin in 2020 and end in 2024 and waive state matching requirements for that same period.

Family Care for Essential Workers: The bill would authorize and appropriate an additional $850 million through the Social Services Block Grant to be available through September 30, 2021 for the sole purpose of providing child and dependent care for workers deemed essential during the COVID-19 pandemic. States would be directed to work with CCDF Lead Agencies to use the funds to pay child care and adult care providers, establish emergency child and adult care or reimburse workers for care they obtained on their own.

Infrastructure Grants: The bill also authorizes **$10 billion** over the 2020-2024 period to finance grants to improve child care infrastructure, including constructing, renovating, and improving facilities to address longstanding issues and to respond to the COVID-19 pandemic. Under the legislation, the Secretary of HHS would perform both immediate and long-term in-depth needs assessments to guide priorities for the facilities grants, with an emphasis on identifying critical infrastructure and supply issues facing the child care industry in the wake of the COVID-19 pandemic in the near-term. These provisions mirror Representative Clark's ***Child Care is Infrastructure Act of 2020*** (H.R. 7201), which NACo endorsed.

Counties support legislation that would protect and increase investments in early childhood development to ensure that needed educational, nutritional and social services are available to children in the critical years of development between birth and age three, including publicly funded child care. Counties support increased incentives for employers to provide child care for their employees on site or as a benefit and support making the Dependent and Child Care Tax Credit refundable. Counties support careful monitoring of state and local licensing laws to ensure adequacy of child care facilities and caretakers.

The Back to Work Child Care Grants Act of 2020 (Not Numbered)

- Sponsors: Sens. Joni Ernst (R-Iowa) and Lamar Alexander (R-Tenn.)
- Committees of Jurisdiction: Not yet referred
- Major Focus: Short-term assistance grants

On July 14, Senators Joni Ernst (R-Iowa) and Lamar Alexander (R-Tenn.) released draft legislation, the ***Back to Work Child Care Grants Act of 2020***, that would authorize grants to states to provide up to 9 months of financial assistance to child care centers, operators and providers. The legislation as drafted does not specify an authorized funding level for these grants.

Specifically, the bill would authorize funding for states to provide subgrants to qualified child care providers to assist in paying for fixed costs and increased operating expenses, for a transition period of not more than 9 months, so that parents have a safe place for their children to receive child care as the parents return to the workplace. Eligible use of funds by providers includes sanitation, personal protective equipment, supplies and facility changes or repairs associated with meeting safety and health standards for COVID-19, fixed operating costs including payroll, employee benefits, mortgages and rent, adapting curricula and other activities.

The legislation defines qualified providers as those in continuous operation and serving children through a child care program immediately prior to March 1, 2020, and who agree to follow all health and safety requirements (including enhanced protocols related to COVID–19 or other health or safety conditions), comply with documentation and requirements and certify that they will remain open for at least one year after receiving the subgrant. States would have broad discretion to develop plans and determine subgrant amounts and would be required to reserve at least one percent of funds to provide technical assistance and support in applying for and accessing subgrants to eligible child care providers, including to rural providers, family child care providers, and providers with limited administrative capacity.

Counties support legislation that would protect and increase investments in early childhood development to ensure that needed educational, nutritional and social services are available to children in the critical years of development between birth and age three, including publicly funded child care.

The Rebuilding A Better Child Care Infrastructure Act of 2020 (Not Numbered)

- Sponsors: Sens. Ron Wyden (D-Ore.), Bob Casey (D-Pa.)
- Committees of Jurisdiction: Not yet referred
- Major Focus: Child Care Entitlement to States

On September 24, Senators Ron Wyden (D-Ore.), Bob Casey (D-Pa.) and Sherrod Brown (D-Ohio) released draft legislation, the ***Rebuilding a Better Child Care Infrastructure Act,*** to provide **$40 billion** in short and-long-term funding for CCES to support child care infrastructure improvements and improve child care quality, supply and affordability in child care deserts.

Specifically, the legislation would appropriate an additional $3 billion to the Child Care Entitlement to States (CCES) for Fiscal Year (FY) 2021 through FY 2025, doubling the current yearly amount of funding. To address the unique infrastructure needs of child care providers that have emerged during the COVID-19 pandemic, the legislation would also offer $10 billion in additional funding for the CCES during FY 2021 for "Pandemic Child Care Assistance Grants" to be distributed to states proportionate to their FY 2021 CCDBG payment. Allowable uses would include providing child care assistance to essential workers, and lead agencies subgranting the funds would need to prioritize child care services that are 1) provided during nontraditional hours 2) serve dual language learners, children with disabilities, children experiencing homelessness, children in foster care, children from low-income families, or infants and toddlers 3) serve a high proportion of children whose families are eligible for CCDBG subsidies and 4) operate in communities, including rural communities, with a low supply of child care.

Additionally, the bill would provide $15 billion funding to the CCES for FY 2022 to fund grants to improve child care supply, quality and affordability in areas where there are little to no options for affordable child care nearby, also to be distributed proportionate to that state's FY 2022 CCDBG payment. Funds would be used for activities permitted under the CCDBG Act of 2014 (PL 113-138) to improve the quality of child care services and increase parental options for, and access to, high quality child care, especially in areas of concentrated poverty. This includes increasing child care slots, expanding neighborhood-based family child care networks, facilities improvements, start-up funding and assistance to new providers, professional development for the child care workforce and establishing or increasing payment rates for child care.

Counties believe high-quality child care services that meet the developmental needs of children are needed and support increased federal funding for CCDBG to meet the needs of eligible families. Counties believe that financial support should be made available for infant care, child care for children with special needs, children in foster care, and child care during non-traditional hours when needed.

LEGISLATIVE OUTLOOK

Between March and May, Congress and the Administration quickly enacted four bipartisan emergency packages directing billions of dollars to Coronavirus response and relief efforts, with only one directly impacting child care.

LEGISLATION	DATE SIGNED INTO LAW	RESOURCES FOR CHILD CARE
Coronavirus Preparedness and Response Supplemental Appropriations Act (PL 116-123)	March 6, 2020	N/A
Families First Coronavirus Response Act (FFCRA; PL 116-127)	March 18, 2020	N/A
Coronavirus Aid, Relief and Economic Security Act (CARES; PL 116-136)	March 27, 2020	$3.5 billion in emergency funding for the Child Care Development Block Grant
Paycheck Protection Program and Health Care Enhancement Act (P.L. 116-139)	April 24, 2020	N/A

Work on a fifth package has moved slowly and along party lines. On May 15, the U.S. House of Representatives passed H.R. 6800, the *Health and Economic Recovery Omnibus Emergency Solutions (HEROES)* Act, along mostly party lines. The bill, which was introduced by House Democratic Leadership, spans 1,800 pages and costs roughly $3 trillion. The original HEROES Act would appropriate **$7 billion for CCDBG** to provide child care assistance to essential workers and support publicly funded child care providers in deploying various emergency flexibilities in response to the COVID-19 outbreak, to be available through September 30, 2021. It would also make the CDCTC refundable and increase the size of the credit for the year 2020.

The U.S. Senate declined to take up the HEROES Act for a vote, citing its large price tag, lack of bipartisan input and lack of support from the President. On June 27, U.S. Senate Majority Leader Mitch McConnell released the Health, Economic Assistance, Liability Protections and Schools (HEALS) Act, a $1 trillion relief package. The legislative package, which was comprised of a series of standalone bills, included the *Back to Work Child Care Grants Act of 2020*, meaning it would provide $5 billion in supplemental funding for CCDBG and $10 billion for short-term grants for child care providers to weather the pandemic. A scaled back version of this package, the *Delivering Immediate Relief to America's Families, Schools and Small*

Businesses Act (S.178), included these same child care provisions. However, the legislation failed to clear a procedural hurdle to reach consideration on the Senate floor.

The bipartisan House Problem Solvers Caucus on September 15 released a $1.5 trillion framework representing a middle road between the HEROES Act and HEALS Act to help break the stalemate in negotiations. The "March to Common Ground" framework would similarly include the provisions associated with the *Back to Work Child Care Grants Act of 2020.*

On October 1, the House passed a revised version of the HEROES Act largely along party lines. This updated measure (H.R. 8406) contains significant increases for child care relief. Along with the original Act's $7 billion in emergency funding for the Child Care Development Block Grant (CCDBG), the updated version would appropriate $50 billion for a Child Care Stabilization Fund, mirroring provisions from the Child Care for Economic Recovery Act.

Bicameral, bipartisan negotiations to reconcile the House and Senate proposals for a fifth package are ongoing, but movement on legislation is unlikely to occur until after the November election. **As Congress negotiates upcoming COVID-19 relief packages, NACo will continue to advocate for direct, flexible funding for county governments as well as increased support for CCDBG and the child care sector.**

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