



July 27, 2020

Dear Representative:

On behalf of YWCA USA, an organization dedicated to eliminating racism and empowering women, I write to **urge you to vote yes on the Child Care is Essential Act (H.R. 7027) and the Child Care is Economic Recovery Act (H.R. 7327)**. Child care providers are on the frontlines of the nation's response to the COVID-19 pandemic. As businesses begin to re-open and individuals return to work, access to affordable and high-quality child care will be critical to ensuring our country's economic recovery and long term stability. **The Child Care is Essential Act and the Child Care is Economic Recovery Act provide critical funding and support to child care providers and are necessary to stabilize the sector. We urge you to vote yes on these important bills.**

At YWCA USA, we are doing the work of justice every day – through our advocacy, our leadership, and our on-the-ground work across America. Today, we serve over 2 million women, girls and their families through a network of local YWCA associations **in over 1,300 communities** across 45 states and the District of Columbia. During the COVID-19 global pandemic, YWCAs in communities big and small are stepping up and answering the call for help. They are frontline, essential workers providing services and resources for many of the most vulnerable children, women, and their families including those experiencing domestic violence and homelessness, those facing job cut-backs, low wages, and housing loss, and those impacted by emergency school closures who lack affordable child care options.

As a result, YWCAs are feeling the economic impact stemming from COVID-19. YWCAs across the country are facing an immediate funding, staffing, and safety crisis that threatens their ability to meet the needs of women and children they serve. According to a recent [internal survey](#), 57% of YWCAs who provide child care services reported having to close a child care program, while others are seeing decreased enrollment during the pandemic. Closure of child care programs and decreased enrollment both result in loss of income. In fact, 32% of YWCA child care providers reported a decrease in child care funding or revenue. Of the YWCA child care facilities that remain open, many serve children of essential workers and first responders. Despite these valiant efforts, they continue to struggle to find the necessary cleaning supplies and to generate sufficient revenue to safely maintain operations and respond to fluctuating health and safety requirements.

As communities across the country begin to recover, businesses look towards re-opening, and parents go back to work, it is vital that child care providers are supported in their efforts to continue providing these important services. Failure of Congress to act and provide funding for child care providers could result in 4.5 million lost child care slots, translating into the elimination of approximately half the country's child care capacity. Additionally, child care workers - 93% of whom are women and disproportionately women of color - will lose their jobs or have to permanently close their child care businesses. It is imperative that Congress take swift action to support workers on the frontlines who are putting their lives and those of their families at risk for the well-being of their communities.

The **Child Care is Essential Act (H.R. 7027)** takes steps to provide immediate relief for child care providers struggling during the COVID-19 pandemic. This bill would create a \$50 billion Child Care Stabilization Fund within the existing Child Care Development Block Grant (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 had previously received funding through CCDBG. These grants would help child care providers by:

- Ensuring that the grants adequately support providers' operating expenses and funding gets to them quickly;
- Requiring that providers continue to pay their staff;
- Providing child care tuition and co-payment relief for working families;
- Promoting health and safety through compliance with public health guidance;
- Prioritizing providers that serve underserved populations;
- Ensuring grants are awarded equitably across child care settings; and
- Conducting oversight through robust reporting requirements.

While the CARES Act included \$3.5 billion to CCDBG, [a study](#) by the National Women's Law Center and the Center for Law and Social Policy (CLASP) recently confirmed that these initial federal resources are not sufficient to cover even one month of costs for our nation's child care providers; it would take at least \$9.6 billion per month to keep current child care providers in business. The new Child Care Stabilization Fund would provide grant funding to child care providers currently struggling to address their COVID-19 financial challenges. In fact, a stabilization fund through CCDBG is the most effective mechanism for getting funding out quickly to a struggling child care system, ensuring both parents and providers' needs are met, all while keeping children safe. This bill takes critical steps to stabilize the child care sector and to support efforts to safely reopen and operate. We urge you to vote yes on H.R. 7027.

Additionally, the **Child Care is Economic Recovery Act (H.R. 7327)** would expand the long-term availability of quality child care and help workers return to their jobs following the COVID-19 shutdown. This bill specifically:

- Increases ongoing access to safe, affordable child care through federal investments and tax subsidies;
- Enhances the child and dependent care tax credit;
- Expands dependent care flexible spending accounts;
- Creates a new tax credit to help employees access quality, affordable child care;
- Provides a new refundable payroll tax credit for child care providers;
- Incentivizes employers to keep child care workers on payroll with an expansion of the employee retention tax credit;
- Increases funds for the Child Care Entitlement to States program;
- Provides \$850 million to states for dependent care for essential workers during the COVID-19 pandemic;
- Invests \$10 billion in infrastructure to improve child care safety.

Each day, the rapidly changing COVID-19 pandemic brings new and significant challenges to the operations and leadership of child care providers. Congress must enact strategic and robust solutions to aid child care providers currently on the frontlines of the global pandemic as well as implement maximum funding flexibility to enable these individuals to purchase supplies, ensure safe and sanitary conditions at centers, and maintain operations. **Both immediate and long-term support for child care providers**

identified in the Child Care is Essential Act (H.R. 7027) and the Child Care is Economic Recovery Act (H.R. 7327) are crucial to securing the economic strength and vitality of our nation. We urge you to take swift action to pass these bills and support child care providers in their efforts to open their doors and continue serving their communities.

Thank you in advance for your support. Please do not hesitate to contact Pam Yuen, Government Relations Manager, at pyuen@ywca.org or 202-559-7022, if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'AJ Castillo', written in a cursive style.

Alejandra Y. Castillo
Chief Executive Officer