July 14, 2020

ATTORNEY GENERAL URGES U.S. SENATE TO INCREASE CHILD CARE FUNDING IN NEXT FEDERAL STIMULUS PACKAGE

Raoul, 21 AGs Calls for At Least \$50 Billion to Ensure Families Have Access to Quality, Affordable Childcare

Chicago — Attorney General Kwame Raoul joined a coalition of 22 attorneys general urging the U.S. Senate to provide robust financial support for child care providers in the next federal stimulus bill amid the ongoing COVID-19 pandemic.

In a letter sent to Senate leadership, Raoul and the coalition called on Congress to provide at least \$50 billion in funding to address the immediate needs of child care systems around the country. Due to the ongoing COVID-19 pandemic, many child care providers are operating at reduced capacity or have closed, leaving them with little to no revenue to cover payroll, rent, insurance and other fixed costs. Additional financial support would help child care providers fulfill these financial obligations so that they are not forced to close for good. It would also help cover essential duty pay for educators and reduce the financial burden on families.

"Access to child care is especially critical for parents who are essential workers providing vital and potentially lifesaving services throughout the COVID-19 pandemic," Raoul said. "The federal government should provide funding to assist child care providers to ensure that working parents do not have to face additional stressors during this crisis."

Raoul and the coalition also expressed support for broader reforms to the U.S. child care system. The attorneys general argue that the current child care system relies upon a broken model, where "parents pay too much and educators make too little." The coalition points out that the current pandemic has exacerbated already existing disparities in race, income and gender in the child care workforce. The letter insists that "[t]o build a more equitable society beyond this current crisis, we need structural reform that ensures every family has access to quality, affordable childcare and educators earn the pay that they deserve."

The letter cites a recent survey by the National Association for the Education of Young Children, which found that only 11 percent of providers could survive a closure of indeterminate length without government intervention, and just 16 percent could survive a closure of more than one month. Recent estimates predict that, without adequate federal support, nearly 4.5 million child care slots across the country are at risk of disappearing, including more than 141,000 in Illinois.

Joining Raoul in sending the letter are the attorneys general of California, Colorado, Connecticut, the District of Columbia, Delaware, Hawaii, Iowa, Maryland, Maine, Massachusetts, Minnesota, North Carolina, New Mexico, Nevada, New York, Oregon, Rhode Island, Virginia, Vermont, Washington and Wisconsin.



THE COMMONWEALTH OF MASSACHUSETTS OFFICE OF THE ATTORNEY GENERAL

ONE ASHBURTON PLACE BOSTON, MASSACHUSETTS 02108

> (617) 727-2200 (617) 727-4765 TTY www.mass.gov/ago

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Hon. Mitch McConnell Majority Leader United States Senate Washington, DC 20510

Hon. Chuck Schumer Minority Leader United States Senate Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer,

As the attorneys general of 22 states¹ representing more than 150 million residents who include parents, childcare workers, and business leaders, we write to urge you to address the crisis in our childcare systems by providing immediate and robust financial support in the next federal stimulus package. These systems have long suffered from a broken model, where parents pay too much and educators make too little. The shutdowns necessitated by the coronavirus pandemic have only exacerbated the problem, which falls disproportionately and inequitably on women and people of color. The crisis in childcare also threatens to hamper our economic recovery, particularly if a broken system gives way to a depleted system. We need a solution that meets the moment and treats childcare as the essential infrastructure it is. We call on you to act swiftly to appropriate at least \$50 billion for childcare in the next federal stimulus bill.

As our states' childcare systems began to shut down several weeks ago, the fault lines were quickly exposed. Many of us heard from parents and guardians desperate to know whether they were still required to pay their childcare bills, even though many of them had lost income and jobs themselves. Many of us also heard from providers who pleaded that, without some financial support, they may be forced to close for good. As officials who crisscross our states and hear the priorities of residents, businesses, and other state and local officials, we also know that childcare programs have to be able to open and operate when we emerge from this crisis in order to stem the economic devastation brought on by the virus. We are also keenly aware of the inequities further exposed by this crisis: nationwide, the childcare workforce is largely female, Black, and Brown, and our country has long underinvested in their work. In Massachusetts, 92 percent of the workforce is female, and 41 percent are people of color.

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 $^{^{\}rm l}$ Throughout this letter, references to "states" include the District of Columbia.

Our experience is supported by data and research. A recent survey found that only 11 percent of providers could survive a closure of indeterminate length without government intervention, and just 16 percent could survive a closure of more than one month.² Recent research shows that, without adequate federal support, nearly 4.5 million childcare slots across the country are at risk of disappearing, including 42 percent of slots in Kentucky and 50 percent in New York.³ In California, a recent survey of thousands of childcare providers found that over 75 percent have made staffing changes, including furloughs, layoffs, or eliminating benefits, which will affect how many children they can serve.⁴ An abundance of research proves the importance of childcare assistance to children, families, and the economy, especially during times of economic recovery.⁵ It provides children with education opportunities and continuity of care that are crucial to their healthy growth and development, and it ensures that parents can go to work or school knowing their children are safe. Childcare assistance also boosts the economy, especially during times of economic recovery, allowing workers to return to their workplaces,⁶ putting money in the hands of families who will spend it, and ensuring that programs – largely women-owned small businesses – have the funding they need to stay in business.⁷

While we deeply appreciate the financial support from the CARES Act for, among other things, childcare and small businesses, more is required to address the acute needs of our childcare systems. Childcare programs, which operate on the margins at full capacity, will contend with public health requirements and other challenges that will make it difficult to reopen completely or at all. As we look ahead to an uncertain future, we must anticipate that programs will, at best, continue to operate at reduced capacity, and at worst, be unable to open or forced to close once again. Following months of closures, many programs may be forced to close for good. To prevent this foreseeable crisis, the federal government must provide at least \$50 billion in financial support to allow providers to make payroll and pay rent, insurance, and other fixed costs over several months. This financial support should also cover essential duty pay for educators.

² Child Care in Crisis, NAT'L ASS'N FOR THE EDUC. OF YOUNG CHILD. (Mar. 17, 2020), https://www.naeyc.org/sites/default/files/globally-shared/downloads/PDFs/our-work/public-policy-advocacy/effects of coronavirus on child care.final.pdf.

³ Steven Jessen-Howard & Simon Workman, *Coronavirus Pandemic Could Lead to Permanent Loss of Nearly 4.5 Million Child Care Slots*, CTR. FOR AM. PROGRESS (Apr. 24, 2020), <a href="https://www.americanprogress.org/issues/early-childhood/news/2020/04/24/483817/coronavirus-pandemic-lead-permanent-loss-nearly-4-5-million-child-care-slots/?elqTrackId=e83432457e364fe68699a4a292722c9f&elq=b77da4f5f18c4ada9067652be9079b25&elqaid=42163&elqat=1&elqCampaignId=12299."}

⁴ California Child Care at the Brink: The Devastating Impact of COVID-19 on California Child Care, CTR. FOR THE STUDY OF CHILD CARE EMPLOYMENT (May 7, 2020), https://cscce.berkeley.edu/california-child-care-at-the-brink-covid-19/.

⁵ See, e.g., Improving and Expanding Child Care Assistance to Stabilize Our Economy, NAT'L WOMEN'S L. CTR. (Apr. 2020), https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/04/Improving-and-Expanding-Child-Care-Assistance-to-Stabilize-Our-Economy-1-2.pdf.

⁶ In Massachusetts, the Greater Boston Chamber of Commerce's reopening agenda prioritizes childcare, acknowledges it as "a key element of the infrastructure needed to reopen," and calls on subsidies and bonuses for providers. *The Massachusetts Way Forward*, GREATER BOS. CHAMBER OF COM., https://www.bostonchamber.com/public-policy/issues-impact/the-massachusetts-way-forward/.

⁷ NAT'L WOMEN'S L. CTR., *supra* note 3.

⁸ Child Care is Key to Our Economic Recovery, NAT'L WOMEN'S L. CTR. (Apr. 2020), https://nwlc-ciw49tixgw5lbab.stackpathdns.com/wp-content/uploads/2020/04/CCKeytoEconomicRecoveryNWLC.pdf.

In the long-term we have to fix the broken model and treat childcare as the public good that it is; your immediate action can both address the emergency crisis and set us on a path to reform. Our current model asks parents to pay more for childcare than they will for college⁹ and compensates the largely female, Black, and Brown educators who help rear our children an average of \$10.70 per hour.¹⁰ For reference, the average living wage in the United States is more than \$16 per hour.¹¹ Parents who lack childcare are disproportionately single parents, hourly workers, or in two-working parent families. To build a more equitable society beyond this current crisis, we need structural reform that ensures every family has access to quality, affordable childcare and educators earn the pay that they deserve.

To be serious about an economic recovery is to address our country's childcare funding crisis. Despite its critical place, the childcare system has suffered dramatically during the pandemic. As our states grapple with declining revenues and a greater need for services, we urge you to provide increased financial support for childcare systems across the country. The investment will provide necessary assistance to children, families, workers, and business and will help ensure that our states have the infrastructure we need to weather this financial storm.

Sincerely,

Maura Healey

Attorney General of Massachusetts

Xavier Becerra

Attorney General of California

Philip J. Weiser

Attorney General of Colorado

William Tong

Attorney General of Connecticut

Kathleen Jennings

Attorney General of Delaware

⁹ Claire Zillman, *Childcare Costs More Than College Tuition in 28 U.S. States*, FORTUNE (Oct. 22, 2018), https://fortune.com/2018/10/22/childcare-costs-per-year-us/.

¹⁰ Rhian Evans Allvin, Saving Child Care to Save Our Economy: America's Governors Must Take Action, NAT'L Ass'N FOR THE EDUC. OF YOUNG CHILD. (Apr. 10, 2020), https://www.naeyc.org/resources/blog/saving-child-care. ¹¹ Carey Anne Nadeau & Dr. Amy K. Glasmeier, Bare Facts About the Living Wage in America, LIVING WAGE CALCULATOR (Aug. 30, 2018), https://livingwage.mit.edu/articles/31-bare-facts-about-the-living-wage-in-america-2017-2018.

Korl A. Poning

Karl A. Racine

Attorney General for the District of Columbia

Clare E. Connors

Attorney General of Hawaii

Kwame Raoul

Attorney General of Illinois

Tom Miller

Attorney General of Iowa

Aaron M. Frey

Attorney General of Maine

Brian E. Frosh

Attorney General of Maryland

Keith Ellison

Attorney General of Minnesota

Aaron D. Ford

Attorney General of Nevada

Hector Balderas

Attorney General of New Mexico

Letitia James

Attorney General of New York

Josh Stein

Attorney General of North Carolina

Ellen F. Rosenblum

Attorney General of Oregon

Peter F. Neronha

Attorney General of Rhode Island

Thomas J. Donovan, Jr.

Attorney General of Vermont

Mark R. Herring
Attorney General of Virginia

Bob Ferguson

Attorney General of Washington

Joshua L. Kaul

Attorney General of Wisconsin