

THE FIRST FIVE THINGS TO KNOW ABOUT

THE KAINE-BRITT BIPARTISAN CHILD CARE PLAN



Millions of working families with young children rely on quality child care, but the eye-watering cost and limited supply means many can't find or afford it. Without it, many parents are forced to miss work or exit the workforce entirely, leaving families financially unstable, employers scrambling to fill jobs, and young children missing opportunities to learn and grow. Parents and providers alike need more support.

The **Child Care Availability and Affordability Act** and the **Child Care Workforce Act** make up a bipartisan package that would update current tax provisions to help more parents afford the child care they need, while also addressing child care workforce challenges by creating a pilot program to boost the supply of child care workers.

1

Child care is one of the largest expenses families face - if they can find it at all.

An estimated 15 million kids need some form of care so their parents can go to work or attend school. But child care easily costs more than the average rent, leaving millions of working families struggling to afford the quality care they need. Additionally, there aren't enough available spots to meet demand, due in large part to a workforce shortage of early educators.

2

The Kaine-Britt Bipartisan Child Care Plan would help.

Introduced by Senators Katie Britt (R-AL) and Tim Kaine (D-VA) this bipartisan package would fine-tune three existing provisions in the U.S. tax code to help more families afford child care, and create a workforce pilot program to boost the supply of child care workers.

3

The Child Care Availability and Affordability Act would fine-tune existing provisions in the U.S. tax code to help more families afford child care by:

- Enhancing the Child and Dependent Care Tax Credit (CDCTC) by making the credit fully refundable so that it reaches more low- and middle-income working families; and expands the maximum amount parents can receive to \$2,500 for families with one child and \$4,000 for families with two or more children.
- Expanding the Dependent Care Assistance Program (DCAP) by increasing the amount of pre-tax dollars families can put into a child care assistance plan (similar to a Flexible Spending Account) from \$5,000 to \$7,500.
- Bolsters the Employer-Provided Child Care Tax Credit (often referenced as 45F), supporting businesses who want to provide child care to their employees and allowing small businesses to work together to provide child care to employees.



4

The Child Care Workforce Act would address early educator shortages by establishing a pilot program to boost the supply of child care workers.

- To increase supply and reduce turnover, the bill implements a competitive grant program for states, localities, Indian Tribes, and Tribal organizations who are interested in adopting or expanding pay supplement programs for child care workers.
- Grantees would provide supplements to both home-based and center-based child care providers who are licensed by the state.

5

The policies in the Kaine-Britt child care package are popular with voters.

- A 2024 poll from FFYF found that 89% want candidates to have a plan or policies ready to help working parents afford high-quality child care.
- It also found that 76% of voters (including 62% of Republicans, 74% of Independents, and 92% of Democrats) support increasing the CDCTC to help ease the burden of child care costs for working families.
- Additionally, the poll found that voters strongly support the expansion of federal tax credits to employers who want to help provide child care or expand benefits including: 84% of all voters, 76% of Republicans, 82% of Independents and 93% of Democrats.
- A 2022 poll from FFYF also found that 86% of voters agree that improving the quality of child care and early learning programs and making them more affordable for families are a good investment of taxpayers' money.

THE BOTTOM LINE

Pairing tax reform with robust federal investment to strengthen child care supports families with young children while ensuring greater economic stability across the country. But parents don't just need support in affording care - they need more options. This package provides an innovative way to increase the supply of quality child care, while looking for ways that providers can recruit and retain a highly-qualified workforce.

ABOUT FIRST FIVE YEARS FUND:

The first five years last forever. At First Five Years Fund, we work with lawmakers on both sides of the aisle to protect, prioritize, and build support for early learning and child care programs at the federal level. Reliable, affordable, and high-quality early learning and child care can be transformative, not only enhancing a child's prospects for a brighter future but also bolstering working parents and fostering economic stability nationwide. Join us at www.ffyf.org.

