



## 118<sup>TH</sup> CONGRESS: BIPARTISAN CHILD CARE LEGISLATION

### Addressing Supply, Cost, Accessibility, and Quality

Reliable, affordable child care is essential for hard-working families. Parents need it so they have peace of mind that their children are safe and cared for while they are at work or school. Employers need it to build a stable, dependable workforce. And young children benefit from the early learning opportunities to build cognitive and social skills during their first five years. But our nation's child care system doesn't work for far too many families and providers.

Congress has the power to make a difference. Increasing access to quality, affordable child care remains a unifying issue with strong bipartisan support, which is important in crafting sound, long-lasting solutions. Below are a selection of bills that have been proposed by both Democrats and Republicans. These bills are designed to support working families, improve the early learning and care workforce, elevate quality, increase access and affordability, and strengthen existing programs.

## ● UPDATING THE TAX CODE TO STRENGTHEN CHILD CARE

### Child Care Investment Act

**H.R. 4571 - Rep. Salud Carbajal (D-CA), Rep. Lori Chavez-DeRemer (R-OR)**

This bill helps parents locate and offset the high cost of child care by expanding the employer-provided child care credit, doubling the amount of money that can be saved by a family in a Dependent Care Assistance Plan (DCAP) to cover child care expenses up to \$10,000 annually, and improving the Child and Dependent Care Tax Credit (CDCTC) by increasing the current rates so that a family with two children would be eligible to get up to \$3,000 in credits for child care expenses as well as make the credit fully refundable and indexed to inflation, among other changes.

### Promoting Affordable Childcare for Everyone (PACE) Act

**H.R. 7360 - Rep. Claudia Tenney (R-NY), Rep. Brad Schneider (D-IL)**

This bill helps parents to better afford child care by improving the CDCTC to make it refundable, index it to inflation, and increase the value of the credit, modernizing the credit to better suit the needs of working parents. It also improves DCAP by increasing the amount of pre-tax dollars parents can set aside from \$5,000 to \$7,500 and indexes the cap to inflation.

### Child Care Availability and Affordability Act

**S. 4874 - Sen. Katie Britt (R-AL), Sen. Tim Kaine (D-VA)**

This bill modernizes existing tax credits to offset the high cost of child care for working families by making the CDCTC refundable and increases the maximum amount that parents can receive from \$1,050 for one child to \$2,500, and from \$2,100 for 2 or more children to \$4,000. It also increases the max amount that can be saved by a family through DCAP to \$7,500, and increases the maximum credit amount of 45F to \$500,000 and the max percentage of costs covered from 25% to 50%, allowing for employers to better support their employees in locating and affording child care.

## Affordable Child Care Act

**H.R. 8635 - Rep. Marc Molinaro (R-NY) and Rep. Sharice Davids (D-KS)**

This bill aims to address several affordability and access concerns by expanding and enhancing existing tax credits to better serve families needs: it doubles the max credit rate for the CDCTC to \$6,000 & \$12,000; doubles the max credit amount of 45F to \$300,000; and doubles the max amount that can be saved by a family through DCAP to \$10,000.

## Improving Child Care for Working Families Act

**H.R. 1421 - Rep. Kim Schrier (D-WA) and Rep. Brian Fitzpatrick (R-PA)**

This bill increases the amount of pre-tax income families can set aside for the Dependent Care Assistance Plan (DCAP) from \$5,000 to \$10,500 to help offset the high cost of child care.

## Know Your Tax Acronyms

The **Child and Dependent Care Tax Credit (CDCTC)** is the only tax credit that specifically helps parents offset the cost of child care.

**Dependent Care Assistance Programs (DCAP)** are employer-sponsored benefit plans that allow working parents to set aside a small amount of their pre-tax paycheck for child care expenses.

The **Employer-Provided Child Care Credit (known as 45F)** allows employers to receive a tax credit for helping employees access child care by providing child care on-site or contracting with local child care facilities.

## LOWERING COSTS AND EXPANDING ACCESS

### After Hours Child Care Act

**S. 976 - Sen. Todd Young (R-IN), Sen. Maggie Hassan (D-NH)**

**H.R. 3639 - Rep. Ashley Hinson (R-IA), Rep. Suzanne Bonamici (D-OR)**

This bill helps more working families to access care by amending CCDBG to establish and expand child care programs for parents who work nontraditional hours through a competitive grant pilot program. This would include support for on-site child care programs at workplaces.

### Child Care Workforce and Facilities Act

**S. 268 - Sen. Amy Klobuchar (D-MN) and Sen. Dan Sullivan (R-AK)**

**H.R. 9068 - Rep. Josh Harder (D-CA), Rep. Brian Fitzpatrick (R-PA)**

This bill provides competitive grants to states to support the education, training, or retention of the child care workforce in addition to building, renovating, and expanding child care facilities in areas experiencing shortages. This would help to increase child care supply.

### More Child Care and Jobs for Military Families Act

**H.R. 6056 - Rep. Susie Lee (D-NV), Rep. Don Bacon (R-NE)**

This bill supports military families in accessing care by requiring the Department of Defense (DOD) to report on at-home child care programs offered by each military department. Additionally, DOD must study and report on (1) standardizing the requirements of each military department relating to licensing and certification for at-home child care providers, (2) removing barriers to the expansion of at-home child care programs, and (3) supporting the employment of military spouses in at-home child care programs.

## ADDRESSING WORKFORCE SHORTAGES

### **Early Childhood Workforce Advancement Act**

**H.R. 7355 - Rep. Annie Kuster (D-NH), Rep. Michael Lawler (R-NY), Rep. Suzanne Bonamici (D-OR), Rep. Lori Chavez-DeRemer (R-OR)**

This bill would grow the early educator workforce by awarding grants to eligible partnerships (e.g. institutions of higher education, child care providers, or relevant workforce training programs) to establish, expand, or support career and technical education (CTE) and career pathway programs of study in early childhood education.

### **Early Educators Apprenticeship Act**

**H.R. 1834 - Rep. Brett Guthrie (R-KY), Rep. Susan Wild (D-PA)**

**S. 236 - Sen. Todd Young (R-IN), Sen. Bob Casey (D-PA), Sen. Shelley Moore Capito (R-WV)**

This bill works to build the early educator pipeline and expand the workforce by establishing a three-year grant program through the Workforce Innovation and Opportunity Act (WIOA) for states to develop, administer, and evaluate a registered apprenticeships (RA) program that provides early educators with the knowledge and skills required to deliver high-quality early learning and care.

### **Head Start for Our Future Act**

**S. 2938 - Sen. Susan Collins (R-ME), Sen. Kirsten Gillibrand (D-NY)**

**H.R. 656 - Rep. Joaquin Castro (D-TX), Rep. John Moolenaar (R-MI), Rep. Abigail Spanberger (D-VA), Rep. Tom Cole (R-OK)**

This bill amends the Higher Education Act of 1965 to make jobs in early childhood education eligible as community service under the Federal Work-Study Program. It is intended to help to grow the early learning and care workforce.

### **Federal Child Care Programs**

Congress allocates federal funding for child care and early learning through programs including the following:

The **Child Care and Development Block Grant (CCDBG)** provides federal funding to states, territories, and tribal entities, which are then distributed as child care subsidies for low-income families and used to improve program quality.

**Head Start and Early Head Start** deliver comprehensive early learning, health, nutrition, and family support services for young children, their families, and pregnant women.

The **Preschool Development Grant Birth through Five (PDG B-5)** program helps states build infrastructure to improve quality, safety, and efficiency between different child care options.

### **HEADWAY Act**

**S. 2832 - Sen. Raphael Warnock (D-GA), Sen. Mike Braun (R-IN)**

This bill seeks to ease workforce shortages by permitting some Early Head Start classroom teachers to be in the process of earning their CDA credential while retaining the requirement that at least one teacher in every classroom is fully credentialed with at least a CDA. The bill also requires mentorship within the program to facilitate and ensure continued progress toward earning the CDA.

### **Creating Early Childhood Leaders Act**

**S. 3066 - Sen. Bob Casey (D-PA), Sen. Mitt Romney (R-UT)**

This bill would support the development of the early educator pipeline by amending Teacher Quality Partnership Grants in the Higher Education Act (HEA) to require effective school leadership programs carried out under the grant to include training for school leaders on child development, social and emotional development, and effective instructional leadership skills for children from birth through age 8 in order to effectively manage and support developmentally appropriate early childhood education programs

## **IMPROVING EARLY EDUCATOR WAGES**

### **Child Care Workforce Act**

**S. 4880 - Sen. Katie Britt (R-AL), Sen. Tim Kaine (D-VA)**

This bill aims to address challenges around workforce stability by establishing a competitive grant program to states, localities, and Tribal organizations who are interested in adopting or expanding pay supplement programs for child care workers to help increase supply and reduce workforce turnover.

### **PREP Act**

**S. 2369 - Sen. Susan Collins (R-ME), Sen. Tim Kaine (D-VA)**

This bill amends the Higher Education Act to address teacher and principal shortages, including early childhood educators, particularly in rural communities, and increase teacher diversity. Eligible partnerships focusing on early childhood educator preparation must include efforts to increase compensation for those who attain associate or baccalaureate degrees in early childhood education.

## **SUPPORTING THE CHILD CARE SECTOR**

### **Small Business Child Care Investment Act**

**S. 673 - Sen. Jacky Rosen (D-NV), Sen. Joni Ernst (R-IA)**

**H.R. 2602 - Rep. Susie Lee (D-NV), Rep. Pete Stauber (R-MN), Rep. Susan Wild (D-PA),  
Rep. Maria Salazar (R-FL)**

This bill supports child care providers, many of whom operate on razor thin margins, by amending the Small Business Investment Act to specify "nonprofit child care providers" are deemed to be a small business concern, allowing them to receive SBA loans.

### **Early Childhood Nutrition Improvement Act**

**H.R. 6067 Rep. Suzanne Bonamici (D-OR), Rep. Marc Molinaro (R-NY), Rep. Brian Fitzpatrick (R-PA), Rep. Michael Lawler (R-NY), Rep. Henry Cuellar (D-TX)**

This bill supports child care providers by adding another meal service to be reimbursed in the Child and Adult Care Food Program (CACFP) for children who are in care for more than eight hours, changes the payment policy so that family child care programs in CACFP are reimbursed based on "food away from home," simplifies eligibility reporting for for-profit child care centers, and more.

### **SEED Act**

**S. 3424 - Sen. Michael Bennet (D-CO), Sen. Susan Collins (R-ME)**

**H.R. 5928 - Rep. Jimmy Panetta (D-CA),  
Rep. Brian Fitzpatrick (R-PA), Rep. Tom Cole (R-OK), Rep. Derek Kilmer (D-WA)**

This bill expands the tax deduction for the expenses of elementary/secondary teachers to include early childhood teachers, so that early educators do not have to shoulder additional costs to provide children with the supplies they need.

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Constituents make a strong connection between child care and a strong economy, with **92%** of all respondents in a 2024 national poll saying access to high-quality, affordable child care is "essential/important" to strengthening the economy.

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# **BOLSTERING ECONOMIES BY STRENGTHENING CHILD CARE**

## **Care is Economic Development Strategy (CEDS) Act**

**H.R. 5825 - Rep. Nikema Williams (D-GA), Rep. Nancy Mace (R-SC)**

This bill aims to foster the connection between economic development and child care by requiring Economic Development Districts to show in their Comprehensive Economic Development Strategies how they will increase access to care-based services, including child care.

## **Child Care for American Families Act**

**H.R. 8540 - Rep. David Kustoff (R-TN), Rep. Brad Schneider (D-IL), Rep. Claudia Tenney (R-NY), Rep. Terri Sewell (R-AL)**

This bill supports employers' ability to maintain a stable, reliable workforce by increasing the amount of the employer-provided child care tax credit (45F) which allows businesses to invest in child care services for their employees — with an emphasis on small businesses and those located in low-income and rural areas.

## **Expanding Child Care in Rural America Act**

**S. 1867 - Sen. Sherrod Brown (D-OH), Sen. Mike Braun (R-IN), Sen. Tina Smith (D-MN)**

**H.R. 3922 - Rep. Marie Gluesenkamp-Perez (D-WA), Rep. Tracey Mann (R-KS)**

This bill establishes the "Expanding Childcare in Rural America Initiative," which directs the U.S. Department of Agriculture (USDA) Rural Development (RD) to authorize and prioritize projects that address the availability, quality, and cost of child care in agricultural and rural communities through several grants and loans programs.

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### **Learn More**

- [Side-By-Side: Comparing Tax Bills, 2024](#)
- [Funding for Key Early Learning Programs, FY2025](#)
- [2024 Child Care and Early Learning State Fact Sheets](#)

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#### ABOUT FIRST FIVE YEARS FUND

The first five years last forever. At First Five Years Fund, we work to protect, prioritize, and build bipartisan 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.

Learn more at [www.ffyf.org](http://www.ffyf.org).

