



To: State Advocates
Fr: Helen Blank
RE: President Obama's Child Care Proposal
Dt: January 22, 2015

I. Just Announced: President Obama's Child Care Proposal

Today, the [President announced a major new proposal to help low-income families afford high-quality child care for their infants and toddlers](#), while reiterating his commitment to expanding access to preschool programs as well as other early care and education initiatives.

Under the President's proposal, the Child Care and Development Block Grant (CCDBG) would receive significant new resources to allow many more families to receive child care assistance, enable states to effectively implement the important provisions of the CCDBG reauthorization law that passed last year with strong bipartisan support, and encourage new strategies to address the needs of families with particular challenges finding child care.

Here are the key components of the President's proposal for child care:

- All families with incomes up to 200 percent of poverty (about \$40,000 a year for a family of three) and children under age four would be able to receive child care assistance so parents could work or attend school or job training, within ten years. This measure would **expand access to high-quality child care to 1 million more children**, for a total of 2.6 million children receiving child care assistance each month, by 2025.
- To receive the additional funding, states would be required to develop plans for building the supply of high-quality care for infants and toddlers and ensure that provider payment rates are sufficient to cover the cost of high-quality care and that parent copayments are reasonable.
- Resources would be provided to help states achieve the objectives of the reauthorization law, which include ensuring children's health and safety (through steps such as requirements for criminal background checks and regular inspections of child care programs), improving the quality of care (through strategies such as professional development opportunities for child care providers), and making the system more family-friendly.
- Innovative strategies for addressing unmet child care needs would be encouraged through \$100 million in competitive grants available to states, territories, tribes, and communities. Funding would be awarded to grantees to develop, implement, and evaluate promising practices for helping families with challenges finding high-quality child care, particularly families in rural communities, families who have children with disabilities, and parents who work non-traditional hours.

The President's plan on child care and early education includes several other components:

-Preschool for All: The President continues to call for making preschool available to all four-year-olds in low- and middle-income families through state-federal partnerships, at a cost of \$75 billion over ten years paid for with a tobacco tax increase.

-Early Head Start-Child Care Partnerships: The President proposes to expand this new initiative, which is designed to expand the availability of high-quality, full-day early care and education for infants and toddlers.

-Full-School-Day/Full-School-Year Head Start: Funding would be provided to allow all Head Start program to operate at least for a full school day (6 hours a day) and full school year (170 days a year).

-Voluntary Home-Visiting: The President proposed to continue and expand voluntary home visits by nurses and other professionals to vulnerable families with very young children.

-Child Care Tax Credit: As described in his middle-class tax cut plan announced this past weekend, and as we summarized in our email to you on Tuesday, the President proposes to increase the maximum Child and Dependent Care Tax Credit (CDCTC) for a child under age five from \$1,050 to \$3,000, and to make the maximum credit available to more middle-class families. However, the CDCTC would remain non-refundable—making it unavailable to families with incomes too low to owe federal income tax—so the significant investment in CCDBG in the proposal announced today is essential to reach low-income families.

The President spoke about the proposal today at the University of Kansas, and his budget—which will be released on February 2nd—will have more details about it.

We look forward to working with you to move this exciting, important child care and early education agenda forward!