Universal Child Care

HOUSE BUDGET COMMITTEE

BUDGET BUSTERS

There are various proposals being circulated amongst Democrats that would create new federal entitlement programs for child care. Ideas range in scope from the *Child Care for Working Families Act* (H.R. 3773; S. 1806), which would use federal funds to pay for preschool for all children ages 3 to 4 and cap other child care expenses for low- to moderate-income families, to the use of federal funds to universally provide early childhood care for all children ages 0 to 4 regardless of household income.
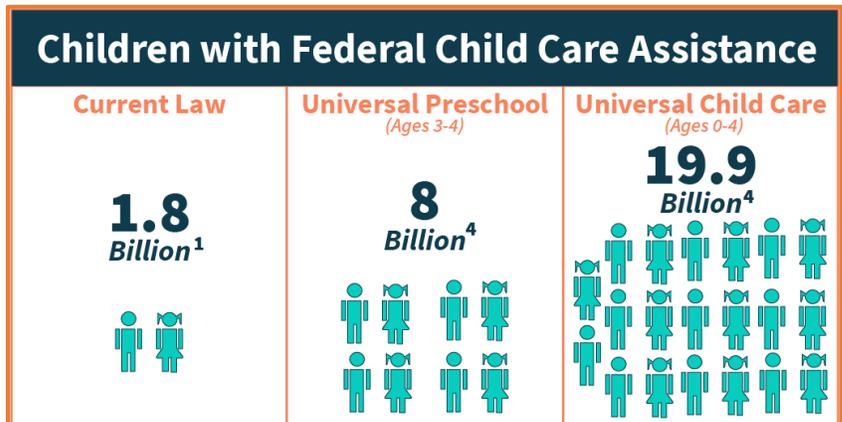
Expanded Child Care Would Bust the Federal Budget. The proposed *Child Care for Working Families Act* would universally fund preschool for children ages 3 to 4, use subsidies to cap child care expenses for families with low to moderate incomes totaling less than 150 percent of their state's median, and impose a new set of regulations on federal child care centers while increasing pay for child care workers. Independent research estimates that enacting these policies could cost the

Children with Federal Child Care Assistance

Current Law	Universal Preschool (Ages 3-4)	Universal Child Care (Ages 0-4)
1.8 Billion[1]	**8** Billion[4]	**19.9** Billion[4]

Federal Government approximately $60 billion annually.[1] However, if this new universal child care entitlement covered all children ages 0 to 4, as suggested by other proposals, federal spending on child care could exceed $191 billion each year.[2] Without an offset for these respective proposals, the Federal Government would incur $11 and $35 billion in net interest spending each year, bringing the total costs for the proposals to $71 and $226 billion annually.

Expanded Child Care is Unworkable. Drastically expanding the current federal child care system is not a solution. The Federal Government already supports two major child care programs, Head Start and the Child Care Development Block Grant, which together will be appropriated roughly $15 billion in fiscal year 2019. Despite receiving historically high levels of funding, the programs are not delivering better outcomes. A 2010 Department of Health and Human Services study found that the Head Start program failed to provide lasting improvements in math, language, and literacy skills for the participating children it serves across the country. Additionally, the study found that Head Start was not improving parenting practices.[3]

Republican Solutions for Child Care. Rather than focusing efforts and taxpayer resources on creating a new, one-size-fits-all government program out of a current system with poor records of efficacy while busting the federal budget, Congress should ensure existing programs are achieving the best possible outcomes. This includes making sure programs effectively support working parents, are not mired in regulation, and result in real, lasting educational gains for the children they serve and their parents. Additionally, Congress should work towards growing parental choice instead of growing bureaucracy. By doubling the Child Tax Credit, putting $2,000 back into the hands of parents, and expanding the use of educational savings accounts, the *Tax Cuts and Jobs Act* took important first steps. Congress should further these important reforms. Families – not the Federal Government – should be making decisions about their educational and child care needs.

[1] "27 Senate Democrats get behind a big new plan to make child care an entitlement," Jeff Stein, Vox, September 14, 2017, https://www.vox.com/policy-and-politics/2017/9/14/16307090/child-care-senate-democrats.

[2] "The Current State of Scientific Knowledge on Pre-Kindergarten Effects," Brookings Institution and the Duke Center for Child and Family Policy, May 2017, https://www.brookings.edu/wp-content/uploads/2017/04/duke_prekstudy_final_4-4-17_hires.pdf.

[3] "Head Start Impact Study," U.S. Department of Health and Human Services, January 15, 2010, http://www.acf.hhs.gov/sites/default/files/opre/executive_summary_final.pdf.

[4] "Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States: April 1, 2010 to July 1, 2017," United States Census Bureau, June 2018, https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2017_PEPSYASEXN&prodType=table.