

Legislative Overview: Strengthening the Care Economy

The COVID-19 crisis has highlighted the enormous need for care policies that support American families and workers. Congress now has a historic opportunity to address the need for affordable, quality childcare, access to paid family and medical leave and home and community based care - not just with short-term relief measures but with permanent policies.

Below is a summary of the temporary measures Congress has passed to deal with our care crisis and of the work yet to do -- to pass the American Jobs Plan and the American Families Plan.

Families First Coronavirus Response Act (March 2020)

- ▶ Required employers with fewer than 500 workers to provide paid sick leave and family and medical leave to workers affected by COVID-19, and provided tax credits to employers to cover the wages of those taking leave from April through December 2020¹.
- ▶ Extended existing family and medical leave requirements to allow parents to take FMLA to care for a child whose school or daycare was closed because of COVID-19².

CARES Act (March 2020)

- ▶ Provided \$3.5 billion in additional funding for child care relief through the Child Care and Development Block Grant and \$750 million in additional Head Start funding to support childcare and early education programs disrupted by the pandemic³.
- ▶ Included several provisions to expand access to home-based health services for Medicare and Medicaid recipients⁴.

December COVID Relief Package (December 2020)

- ▶ Extended paid leave tax credits for employers with under 500 workers who voluntarily provide emergency paid sick and child care leave, but failed to extend the requirement that employers provide leave.
- ▶ Included \$10 billion in additional funding for child care relief through the Child Care and Development Block Grant.

American Rescue Plan (passed March 2021)

- ▶ Extended the tax credits for employers with fewer than 500 employees to cover paid sick leave and family medical leave as first provided in the FFCRA and expanded the paid leave purposes for which eligible employers can be reimbursed to include vaccination and vaccination side effects as well as serious COVID related personal or family health issues through September 2021, but failed to reinstate the original FFCRA mandate guaranteeing workers access to paid leave.
- ▶ Increased the per-child federal tax credit from \$2,000 to \$3,000, and to \$3,600 for children under 6⁵.
- ▶ Provided \$15 billion in additional Child Care and Development Block Grant funding, and established a \$24 billion grant program to support child care providers and expand access to childcare⁶.
- ▶ Provided refundable tax credits for families to offset the cost of childcare for children under 13, up to \$4,000 per family for one child or \$8,000 for two or more children⁷.
- ▶ Provided a temporary 10 percentage point increase in federal funds for Medicaid home and community-based services from April 1, 2021 through March 30, 2022⁸.

American Jobs Plan (proposed)

- ▶ Would provide \$25 billion for building the supply of childcare, including funds to help build or improve child care centers in under-served areas and tax credits to employers to help offset the costs of establishing on-site childcare centers⁹.

- ▶ Would provide \$400 billion in Medicaid funding to expand access to home and community-based care, and extend a program that enables Medicaid recipients to transition more easily from nursing home to home-based care¹⁰.

American Families Plan (proposed)

- ▶ Would create a comprehensive paid family and medical leave program, investing \$225 billion and phasing in over 10 years, eventually reaching a requirement of 12 weeks a year of paid leave for family and medical leave¹¹.
- ▶ Would provide \$225 billion to build a childcare system, including through direct support to ensure low and middle-income families pay no more than 7 percent of income on childcare, and funding to ensure early-childhood workers are paid a minimum of \$15 an hour¹².
- ▶ Would provide \$200 billion to fund universal preschool availability for all 3 and 4-year-olds¹³.

¹ <https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>

² <https://www.dol.gov/agencies/whd/pandemic/ffcra-employee-paid-leave>

³ https://www.ffyf.org/wp-content/uploads/2020/04/FFYF_CARES_Act_May_2020.pdf

⁴ <https://www.kff.org/global-health-policy/issue-brief/the-coronavirus-aid-relief-and-economic-security-act-summary-of-key-health-provisions/>

⁵ <https://www.whitehouse.gov/wp-content/uploads/2021/03/American-Rescue-Plan-Fact-Sheet.pdf>

⁶ <https://bipartisanpolicy.org/blog/child-care-arp/>

⁷ <https://www.whitehouse.gov/wp-content/uploads/2021/03/American-Rescue-Plan-Fact-Sheet.pdf>

⁸ <https://www.kff.org/medicaid/issue-brief/medicaid-provisions-in-the-american-rescue-plan-act/>

⁹ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

¹⁰ <https://www.reuters.com/world/us/how-biden-plans-add-600-billion-us-care-economy-2021-05-06/>

¹¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/28/fact-sheet-the-american-families-plan/>

¹² <https://www.washingtonpost.com/us-policy/2021/04/28/what-is-in-biden-families-plan/>

¹³ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/28/fact-sheet-the-american-families-plan/>