



August 28, 2023

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Re: ACF-2023-0003 / RIN Number 0970-AD02

Dear Secretary Becerra,

On behalf of the undersigned Under 3 DC coalition members, which includes Washington, DC parents, community leaders, employers, community-based early childhood organizations, early childhood educators; and health, mental health, and early childhood experts, we write this letter to submit comment to the notice of proposed rulemaking on Improving Child Care Access, Affordability, and Stability in the Child Care and Development Fund (CCDF). Thank you for your efforts to lower families' child care costs, increase families' child care options, improve child care provider rates and practices, and streamline eligibility to make enrollment easier and faster.

Background & Context

Under 3 DC harnesses the voices and power of parents with young children, caregivers, and advocates to create transformative social change. Our efforts center on those experiencing racial and economic injustice every day. Here in the District of Columbia, we are proud to be a leader in the nation in creating and sustaining a high quality, equitable early childhood system. We shine a spotlight on the need for public programs to support families with infants and toddlers. We provide some of the highest child care subsidy reimbursement rates across the country and have recently established the Pay Equity Fund, which sets early educators' minimum pay at parity with local public school teachers' minimum pay, as well as provides health care benefits for all employees of child development facilities.

Lowering Families' Costs for Child Care

We support the proposal to cap CCDF family co-pays at seven percent of family income (98.45(b)(5)). This change would improve child care affordability for the families of the over 5,000 District children under the age of five who currently participate in the subsidy program¹. Additionally, we applaud the clarification that this proposal must not decrease subsidy amounts paid to child care providers, but rather shifts the costs to Lead Agencies.

¹ The Annie E. Casey Foundation, Kids Count Data Center, "[Subsidized Child Care Enrollment By Ward in District of Columbia](#)," 2022

District of Columbia lawmakers passed the Birth-to-Three for All DC Act in 2018, stipulating that no family would spend more than 10 percent of their income on child care upon full implementation. Our Lead Agency (the Office of the State Superintendent for Education, or OSSE) is poised to put DC co-pay rates for fiscal year (FY) 2024 on a path towards this goal, with no subsidy-participating family up to 300 percent of the federal poverty line (FPL) paying over eight percent of their income on child care. This proposed rule would take affordability a step further, and we are wholly supportive of all efforts to reduce the cost burden for child care for our DC families.

Furthermore, we support the proposal (98.45(l)(4)) to allow Lead Agencies to waive co-pays for families with incomes up to 150 percent FPL and for families with a child with a disability. DC's FY24 co-pay rates are \$0 for families with incomes up to 100 percent of the FPL; we are pleased that this guidance would allow the District to extend its relief of financial burden to more families. Even with the subsidy program and relatively low co-pays, child care continues to be unaffordable and inaccessible for many families with low-incomes in the District of Columbia.²

We also express our strong support for the increased flexibility to allow Lead Agencies to waive co-pays for families with a child with disabilities. We know that families with a child with disabilities experience heightened challenges accessing high-quality child care due to significantly fewer programs that serve children with disabilities. We share the goal of increasing access to high-quality child care for all children.

Building Supply with Grants and Contracts

We support the proposals (98.16(y), 98.30(b) and 98.50(a)(3)) to require Lead Agencies to use contracts to increase supply for child care for nontraditional hours and for children with disabilities, as well as for other child care needs with stark supply issues. Families in the District who require nontraditional hours and families with a child with disabilities (as mentioned above) face increased challenges in accessing high quality child care.

By engaging providers in the subsidy program through contracts that would require them to reserve seats for subsidy-eligible children, Lead Agencies could not only increase the supply of child care for children in qualifying families with low income in the District, but it will also provide added stability for early learning programs who can benefit from fully funded grants or contracts. This will also help the District quantify the number of affordable seats available to families based on the total contracted seats. Currently it is difficult for the District to articulate the total universe of available subsidized seats, since participating child care providers have no obligation to preserve a set number of seats for children with vouchers. This limits our ability to assess whether our supply of affordable seats is adequate to meet the total demand for them.

"The proposed rulemaking in the new CCDF has identified and addressed a number of issues aimed at making quality child care more accessible and affordable for parents while highlighting the need to ensure the financial viability and sustainability of centers and homes. As the owner

² Economic Policy Institute, "[Child Care Costs in the United States: The Cost of Child Care in Washington DC](#)," accessed February 2023.

and operator of three early childhood education centers in DC, these proposed changes would allow me to better support the children and families in our care and to expand our reach to serve more children and families. The challenge comes in the partnership with OSSE (DC's Lead Agency) in effectively utilizing the fast expertise of child care providers in the implementation of this rulemaking. I encourage the Office of Child Care to issue subsequent guidance to ensure that Lead Agencies are able to successfully implement the necessary changes proposed in this rule.” - Jeff Credit, CEO, Community Educational Research Group, which provides early care and education in a culturally-diverse and nurturing environment in Wards 7 and 8, and Under 3 DC coalition member

Improving Parent Choice in Child Care and Strengthening Payment Practices

Like in many other states, federal funding offered during the pandemic allowed DC to improve its child care subsidy program in a number of ways that benefitted providers, parents, and their children. Ensuring that child care providers receive timely and reliable payments promotes child care supply retention and growth by supporting financial stability for programs. It also encourages their participation in the child care subsidy program, thus expanding child care options for parents relying on child care assistance. Therefore, we support the proposed changes to payment practices (98.45(m)(1) and (2) and 98.45(l)(2)), including basing subsidy payments on enrollment and allowing prospective payments for services.

DC revised its CCDF Plan in 2021 to base subsidy payments on enrollment, rather than attendance. The District made this change in response to positive feedback from providers after employing it as a short term strategy during the pandemic. DC, however, pays providers as a reimbursement after they deliver services, which places them in the precarious position of needing to have cash up front to cover the costs of serving families in the subsidy program and their fixed costs such as staff salaries, rent, utilities, insurance and cleaning, regardless of the regularity of attendance of their students and the timeliness of payments from parents and the District. Allowing providers to receive payment based on enrollment and ensuring prospective payments for newly enrolled students is critical to addressing the high and volatile cost of providing child care. These changes improve financial stability among child care subsidy providers. They also encourage more providers to participate in the subsidy program, thus expanding the child care options available to families with fewer resources.³

“Maintaining a successful child care environment, one that supports the healthy development of young children, requires stability: a stable staff and a stable facility that is welcoming and safe for both children and parents. That in turn requires stable funding, which is why our child care partners overwhelmingly feel that subsidy payments based on enrollment offer them the best chance of success. Our providers work hard to ensure regular attendance of all children, but that is not something they can guarantee. Basing funding on enrollment allows child care providers to focus on providing high-quality early childhood education without worrying about whether they can keep the lights on, have enough crayons, and maintain their best staff.” - Syrita Robinson, Director of Office of Early Education, United Planning Organization, which

³ Alex Cooper and Diane Girouard, [“Child Care Payments: Attendance Vs. Enrollments,”](#) Child Care Aware of America, June 2021

provides services and assistance to the low-income residents of Washington, DC, and Under 3 DC coalition member

The proposed revisions to payment practices will likely lead to improved program financial stability, higher-quality care, and increases in the supply of child care; all of which are essential to promoting parent choice in and access to affordable child care.⁴

Reducing Bureaucracy for Better Implementation

We support the proposed changes (98.21) to make enrollment easier and faster for families by encouraging online application options, streamlining eligibility review processes, and fast track enrollment via presumptive eligibility. The proposed rule's increased flexibility to allow the Lead Agency to use a family's enrollment in other public benefit programs to verify eligibility for the child care subsidy program will reduce administrative costs and connect families to care more quickly. DC uses categorical eligibility to ensure that families accessing Temporary Assistance for Needy Families (TANF) or Supplemental Security Income (SSI) are also enrolled in Supplemental Nutrition Assistance Program (SNAP).⁵ Currently, child care subsidy enrollment practices are time consuming and require significant documentation, serving as an administrative burden for families in vital need of child care. We are confident that offering an online application and streamlining eligibility verification requirements will increase the number of families who participate in the subsidy program.

Finally, we support the clarification (98.21(e) and (h)(5)) that a Lead Agency can consider a child presumptively eligible (if a child is plausibly assumed to meet basic federal requirements) prior to completing verification of their eligibility. Allowing funds to be used for up to three months (or until full eligibility is determined) will speed up enrollment timelines and reduce barriers for families seeking to enroll in the child care subsidy program. Presumptive eligibility will ensure that children are able to access safe, high-quality care that meets their needs as soon as possible.

"Presumptive eligibility for child care is a beacon of empowerment, illuminating pathways for families to flourish. The extension of the deadline for voucher eligibility documentation from one to three months will alleviate administrative burdens on our families. By removing barriers and providing timely access to child care services, we can nurture not only the potential of children but also the dreams and aspirations of parents, fostering a society where every opportunity is within reach." -Erin Fisher, Executive Director, Bright Beginnings, which provides early childhood education and other services to families experiencing homelessness who have young children, and Under 3 DC coalition member

and

"Fast track child care subsidy enrollment is essential for community-based organizations that support early learners. We want to ensure all families have access to child care and early learning opportunities for their child[ren] when they need it most. Often, we have children that are unable to enroll in a timely way due to the current eligibility guidelines and process and early

⁴ Center for the Study of Social Policy, "[Moving to High Quality Child Care for All: Addressing Inequities through State CCDBG Plans](#)," November 2018.

⁵ DC Department of Human Services, "[SNAP Eligibility: General Requirements](#)," accessed August 2023.

access through presumptive eligibility would benefit programs and families considerably. Timely access to child care supports job security, health and wellness and school readiness for children and families.” - Yasmin Shaffi, Executive Director, Education Programs at the National Children’s Center, which serves children and adults with intellectual and developmental disabilities, and Under 3 DC coalition member

The proposals offered here have the potential to improve access to child care subsidy for more families and to improve providers’ ability to offer high quality early education. However, these improvements come at a cost. In order to ensure that states can implement these changes, we recommend increasing the federal investment in the Child Care and Development Fund through increased mandatory and discretionary appropriations. Analysts with The Center for Law and Social Policy calculated that CCDF should be fully funded at \$12.4 billion for FY24.⁶

We appreciate the opportunity to provide comments on this proposed rule.

Sincerely,

Advocates for Justice and Education
Bread for the City
Bright Beginnings
Centro Nia
Children's Law Center
Children's National Hospital
Common Future
Community Educational Research Group
Community of Hope
DC Action
DC American Academy of Pediatrics
DC Appleseed
DC Association for the Education of Young Children
DC Directors Exchange
DC Early Learning Collaborative
DC Family Child Care
Association, DC FCCA
DC Fiscal Policy Institute
DC for Democracy
DC Head Start Association
DC Hunger Solutions
DC Jobs With Justice
DC Next
DC Primary Care Association
Early Childhood Innovation Network
Easterseals DC, MD, VA
Educare DC
EmpowerED

⁶ Alycia Hardy & Stephanie Schmit, [“What a \\$4.38 Billion Increase in CCDBG Annual Discretionary Funding Could Mean for Your State,”](#) The Center for Law and Social Policy, April 2023

Fair Budget Coalition
Greater DC Diaper Bank
Jews United for Justice
Jubilee Housing
Kiddie University
Lia's Rainbow
Low Income Investment Fund
Martha's Table
Mary's Center
MD/DC Hands & Voices
MLOV (Many Languages One Voice)
MomsRising/MamásConPoder
Mothers Outreach Network
Multicultural Spanish Speaking Providers Association , MSSPA
National Children's Center
National Women's Law Center
Nkechi Enwerem
NOVA Birth Partners
Nurse-Family Partnership National Service Office
Parents Amplifying Voices in Education (PAVE)
Petit Scholars
Petit Scholars Rhode Island
Point of Care Childcare
Ramsey Decision Theoretics & Civic Participation
SPACES in Action
United Planning Organization
Washington Area of Childcare Centers
Washington Area Women's Foundation
Zilla J. Wesley