

May 19, 2020

Leader McConnell,

The greater Louisville business community is encouraged and hopeful to see segments of our economy begin to reopen. In this pivotal moment in our fight against the COVID-19 pandemic, it is vital that we take every step necessary to ensure a safe and lasting economic recovery. For this reason, we write to encourage you and your colleagues in Congress to prioritize federal support for child care services, which we, as business leaders in our community, view as essential to a successful economic recovery.

The disruption brought on by the pandemic threatens the future of thousands of child care providers throughout the country. According to a March 2020 survey of more than 6,000 child care providers, a sobering [46 percent](#) said they could not financially survive a closure of longer than a month. As states allow providers to reopen, an already fragile industry will be faced with a smaller customer base, limited cash flow, and major new health and safety requirements. Because [many childcare workers](#) fall into vulnerable populations in the context of COVID-19, providers may also face a severe workforce shortage.

As we attempt to restart our economy, millions of working parents and small business owners may soon learn that the network of child care centers they depend on to care for and educate their children no longer exists. This will prohibit employees from returning to work and small business owners from restarting operations.

It is important to bear in mind that even prior to the pandemic lack of access to child care hindered economic growth and workforce participation. From the perspective of our bi-state region, [Kentucky](#) and [Indiana](#) both lose an estimated \$1 billion in annual economic activity due to problems related to access to child care. The pandemic will exacerbate these challenges by further restricting access to child care as an unprecedented number of providers are forced to shut down.

We applaud the steps that Congress has already taken to help stabilize the child care industry, including the \$3.5 billion for the Child Care and Development Block Grant (CCDBG) in the CARES Act and the Paycheck Protection Program. But much bolder and more targeted measures are needed.

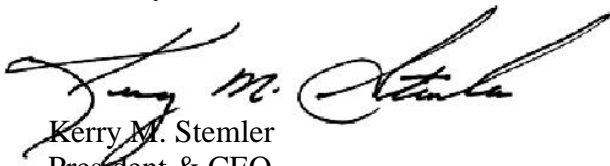
GLI recommends that Congress consider the following measures to provide both long and short-term stability to the childcare industry, which will be critical to America's economic future:

- GLI supports efforts to appropriate \$50 billion in emergency stimulus funds to prevent the collapse of the childcare sector and to ensure that childcare providers will be fully operational as the economy reopens and America returns to work. These funds will help providers close the gap to financial solvency as they operate at unsustainable levels of low capacity throughout the initial phases of the economic recovery.

- Congress should allocate additional funding through stipends or accessible grant opportunities to childcare providers to assist them in complying with new health and safety guidelines, such as hiring additional staff as a result of increasing staff-to-children ratios and acquiring PPE. This will promote health and safety and ensure that these new expenses are not cost prohibitive.
- Congress should also consider creating a new forgivable federal loan program similar to the Paycheck Protection Program, or carved out within that program, tailored to the unique needs of childcare providers. Federal agencies that already interact with childcare providers on a regular basis - such as the Administration for Children and Families - should play a role in coordinating this program and disseminating guidance and information to providers.
- As the country begins moving forward into a full-scale economy recovery, Congress must solidify its commitment to removing child care as a barrier to work by allocating the necessary funds to increase state-administrated child care subsidies and reimbursement rates to providers.

We fully recognize the numerous needs Congress that is focused on addressing, as it considers further COVID-19 relief legislation. Our argument is that child care must be viewed as an essential industry and as foundational to a successful economic recovery. We therefore strongly urge Congress to prioritize it appropriately and do everything within its power to stabilize the childcare industry and ensure wide access to these services for America's workforce and small business owners.

Sincerely,



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