

## *The Build Back Better Framework Will Deliver for California*

President Biden's Build Back Better framework will bring down costs that have held back families in California for decades by cutting taxes and making child care, home care, education, health care, and housing more affordable. These investments will provide new learning opportunities for children, help parents and especially working parents make ends meet, and position the economy for stronger growth for years to come. The framework will create good-paying jobs for residents of California, combating climate change, giving our kids cleaner air and water, and making America the leader in global innovation and 21<sup>st</sup> century manufacturing.

The Build Back Better framework will:

### **Deliver the largest investment in child care and early education in history.**

- **Provide access to affordable child care.** Child care is a major strain for families in California, where the average annual cost of a child care center for an infant is \$17,384, meaning that a California family with two young children would on average spend 30% of their income on child care for one year. The lack of affordable options also makes it difficult for parents, and especially mothers, to remain in their jobs, contributing to the 26.2% gender gap in workforce participation between mothers and fathers in California. **The Build Back Better framework will enable California to provide access to child care for over 2.2 million young children (ages 0-5) per year from families earning under 2.5 times the California median income (about \$233,758 for a family of 4), and ensure these families pay no more than 7% of their income on high-quality child care.**
- **Provide universal, high-quality, free preschool for every 3- and 4-year old in America.** Today, only 16% of the 1 million 3- and 4-year-olds in California have access to publicly-funded preschool, and it costs about \$8,600 per year for those who can't access a publicly-funded program. **The Build Back Better framework will enable California to expand access to free, high-quality preschool to more than 849,000 additional 3- and 4-year-olds per year and increase the quality of preschool for children who are already enrolled.** Parents will be able to send their children to the preschool setting of their choice—from public schools to child care providers to Head Start—leading to lifelong educational benefits, allowing more parents to go back to work, and building a stronger foundation for California's future economic competitiveness.

### **Address the existential threat of climate change.**

- **Make the largest effort to combat climate change in American history.** From 2010 to 2020, California experienced 16 extreme weather events, costing up to \$50-100 billion in damages. **The Build Back Better framework will set the United States on course to meet its climate targets—a 50-52% reduction in greenhouse gas emissions below 2005 levels by 2030—in a way that creates good-paying union jobs, grows domestic industries, and advances environmental justice.** The framework represents the largest

ever single investment in our clean energy economy—across buildings, transportation, industry, electricity, agriculture, and climate smart practices in our lands and waters. And the framework will create a new Civilian Climate Corps that will enlist a diverse generation of Californians in conserving our public lands, bolstering community resilience, and addressing the changing climate, all while putting good-paying union jobs within reach. In clean energy and in other sectors, the Build Back Better framework will also strengthen domestic manufacturing and supply chains for critical goods, benefiting American businesses, workers, consumers, and communities.

**Cut taxes and reduce some of the largest expenses for workers and families.**

- **Make education beyond high school more affordable and accessible.** The average cost of a 2-year degree in California is \$1,428 per year, and \$9,933 per year for a 4-year degree, straining many student budgets. **To help unlock the opportunities of an education beyond high school, the Build Back Better framework will increase maximum Pell Grant awards by \$550 for students at public and private non-profit institutions, supporting the 719,975 students in California who rely on Pell.** The framework will also invest in California's 222 minority-serving institutions and the students they serve.
- **Train America's workers for the jobs of the future.** Of the world's biggest economies, the United States is second to last in investing in workforce development, and funding for federal job training programs has dropped by almost half since 2001. **The Build Back Better framework invests in training programs that will prepare California's workers for high-quality jobs in fast-growing sectors like public health, child care, manufacturing, IT, and clean energy.** 116 public community colleges in California will have the opportunity to benefit from grants to develop and deliver innovative training programs and expand proven ones.
- **Provide nutritious food options for children.** 13% of children in California live in food insecure households, harming their long-term health and ability to succeed in school. **The Build Back Better framework will ensure that the nutritional needs of California's children are met by expanding access to free school meals to an additional 1.1 million students during the school year and providing 3.9 million students with resources to purchase food over the summer.**
- **Reduce housing costs and expand housing options.** Three million renters in California are rent burdened, meaning they spend more than 30% of their income on rent, while homeownership remains out of reach for many families. **The Build Back Better framework will expand rental assistance for California renters, while also increasing the supply of high-quality housing through the construction and rehabilitation of over 1 million affordable housing units nationwide.** It will address the capital needs of the entire public housing stock in America and it includes one of the largest investments in down payment assistance in history, enabling more first-generation homebuyers to purchase their first home.

- **Expand health care coverage and lower costs.** Health care should be a right, not a privilege, and residents of California facing illness should never have to worry about how they are going to pay for treatment. **The Build Back Better framework will close the Medicaid coverage gap to help millions of Americans gain health insurance, extend through 2025 the American Rescue Plan’s health insurance premium reductions for those who buy coverage on their own, and help older Americans access affordable hearing care by expanding Medicare.** In California, that means 419,000 uninsured people will gain coverage and 451,100 will on average save hundreds of dollars per year. In addition, the Build Back Better framework will support maternal health and invest in national preparedness for future pandemics.
- **Support families with long-term care needs.** The need for high-quality, accessible, and affordable care for older Americans and disabled Americans is only growing, but high costs and care shortages leave many to rely on family for unpaid caregiving. **The Build Back Better framework will expand access to home- and community-based care to more of California’s senior citizens and disabled citizens, and improve the quality and wages of caregiving jobs.**
- **Cut taxes for families and workers.** Prior to the pandemic, 19% of children under the age of 18 in California lived in poverty. The Build Back Better framework will bolster financial security and spur economic growth in California by reducing taxes on the middle class and those striving to break into it. The framework will **extend Child Tax Credit (CTC) increases of \$300/month per child under 6 or \$250/month per child ages 6 to 17. This will continue the largest one-year reduction in child poverty in history.** And critically, the agreement includes permanent refundability for the Child Tax Credit, meaning that the neediest families will continue to receive the full Child Tax Credit over the long-run. **The framework will also provide a tax cut of up to \$1,500 in tax cuts for 2 million low-wage workers in California by extending the American Rescue Plan’s Earned Income Tax Credit (EITC) expansion.**