

AMERICAN FAMILIES PLAN

The Need for Action in Puerto Rico

The American Families Plan is an investment in Puerto Rico's children and families – because when American families do well, our nation thrives. The American Families Plan is a once-in-a-generation investment in the foundations of middle-class prosperity: education, health care, and child care. It will help families cover the basic expenses that so many struggle with now, lower health insurance premiums, and continue the American Rescue Plan's historic reductions in child poverty. It will yield significant economic returns – boosting productivity and economic growth, supporting a larger, more productive, and healthier workforce on a sustained basis, and generating savings to states, territories, and the federal government.

- **HIGHER EDUCATION:** Higher education is key to unlocking opportunity in the new economy, but the average cost of a 2-year degree in Puerto Rico is \$1,700 per year.¹ High costs are part of the reason just 60 percent of students across the country are able to complete a postsecondary degree of any kind within 6 years of enrolling, and high-minority and high-poverty high schools have seen 9.4 percent and 11.4 percent declines in college enrollment, respectively. To make higher education more accessible, the American Families Plan will provide at least two years of free community college to all students, including DREAMers. It will also increase the maximum Pell Grant awards by approximately \$1,400 to support the 165,700 students in Puerto Rico who rely on Pell for their education, and provide grants to increase college retention and completion. In addition, the American Families Plan will provide support to minority-serving institutions (MSIs) and the students they serve across the country, like Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and Hispanic-serving institutions (HSIs). This includes 58 MSIs in Puerto Rico.
- **UNIVERSAL PRE-SCHOOL:** Pre-school is critical to ensuring that children start kindergarten with the skills and supports that set them up for success in school. But today, only 32,827, or 60 percent of the 52,635 3- and 4-year-olds in Puerto Rico are enrolled in a publicly-funded pre-school program. The American Families Plan will provide access to free, high-quality pre-school to all 3- and 4-year-olds in Puerto Rico, boosting their educational outcomes and allowing more parents to go back to work. In addition, the American Families Plan will ensure that all employees in funded pre-school programs are paid a \$15 minimum wage and provide compensation and benefits comparable to kindergarten educators to those with similar qualifications.

¹ Average 2019-2020 in-state tuition and fees of all eligible colleges, IPEDS. Due to availability, cost data for Puerto Rico is from a different source than other state fact sheets.

- **INVESTING IN TEACHERS:** Even before the pandemic, our nation's schools faced an estimated shortage of more than 100,000 teachers, resulting in teachers either teaching out of their subject area or positions going unfilled. In high-need areas like special education and bilingual education, the lack of qualified teachers is worsening educational disparities for students with disabilities and English-learners. The American Families Plan will invest \$9 billion in our teachers so we address teacher shortages, improve teacher preparation, recruit and develop more teachers of color, and leverage our veteran teachers to help support and train new teachers.
- **CHILD CARE:** Affordable child care is a barrier for many Puerto Ricans. The average annual cost of a child care center for a toddler in Puerto Rico is \$4,500, meaning that a two-parent household would on average need to spend 11 percent of their income on care for one child every year. And access to care is just as important as cost, especially for the more than half of Americans living in areas without enough child care options to meet the need. The American Families Plan will enable low and middle-income families to pay no more than 7 percent of their income on high-quality child care, generating lifetime benefits for children under 5 in Puerto Rico and helping working families make ends meet. We must also make sure child care is a source of good jobs for Puerto Rico, where the median hourly wage of child care workers is just \$8.86. The American Families Plan will ensure a \$15 minimum wage for early childhood educators and provide compensation and benefits comparable to kindergarten educators to those with similar qualifications.
- **PAID LEAVE:** Paid leave has been shown to reduce racial wealth gaps, improve child health, increase employee retention, and boost women's workforce participation. These supports are especially critical now, with COVID-19 resulting in lost wages and a decline in economic activity. But in Puerto Rico and across the nation, more than 110 million workers lack access to paid family leave and nearly 84 million lack access to paid medical leave. For the country's lowest-wage workers, many of whom are women and workers of color, 95 percent are without paid family leave and 91 percent without paid medical leave. The American Families Plan will create a national, comprehensive paid family and medical leave program to ensure workers receive partial wage replacement from the government to take time to bond with a new child, care for a seriously ill loved one, deal with a loved one's military deployment, find safety from sexual assault, stalking, or domestic violence, and heal from their own serious illness.
- **CHILD NUTRITION:** A good diet is critical to a child's health and ability to succeed in school, but 16 percent of children across the country live in food insecure households and 31 percent are obese. The American Families Plan will ensure that the nutritional needs of Puerto Rico's children are met by expanding

access to free school meals to an additional 23,000 students and providing 314,000 students with resources to purchase food over the summer.

- **TAX CUTS FOR PUERTO RICO'S FAMILIES AND WORKERS.** The American Families Plan will bolster financial security and spur economic growth in Puerto Rico by reducing taxes on the middle class and those striving to break into it.
 - The American Families Plan will extend through 2025 the American Rescue Plan's Child Tax Credit (CTC) increases to \$3,000 per child 6-years old and above and \$3,600 per child under 6. It will also make the credit fully refundable so that low-income families can now receive the same credit as middle-income families.