

Rebuilding a Better Child Care Infrastructure

Section by Section

Section 1. Short Title by

This Act may be cited as the “Rebuilding a Better Child Care Infrastructure Act”

Section 2. Increased Funding for Child Care Entitlement to States (CCES)

This provision would double the funding level for the CCES from \$2.917 billion to \$5.917 billion per year, starting in FY 2021 and continuing through FY 2025.

This section would expand eligibility for the CCES to territories, including the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, and would reserve 2 percent of funds to make payments to territories without requiring them to match funds. Funds would be distributed to territories based on the same proportion of payment made to territories under the Child Care Development Block Grant Act of 1990 (CCDBG) for the most recent preceding fiscal year. Any unused funds for a given fiscal year would be redistributed to other eligible territories able to use additional amounts to provide child care assistance.

This section would increase the amount of CCES funding reserved for tribes and tribal organizations from being between 1 and 2 percent to 3 percent and would allow any unused funds for a given fiscal year to be redistributed to other eligible tribes and tribal organizations able to use additional amounts to provide child care assistance.

This section would authorize the Department of Health and Human Services (HHS) to reserve ½ to 1 percent of funds to provide technical assistance for the CCES. It also would allow HHS to reserve ½ to 1 percent of funds to conduct research and demonstration activities.

This section would remove a reference in current law for HHS to match state CCES spending at the Federal Medical Assistance Percentages (FMAP) rate in effect on September 30, 1995, therefore it would allow current FMAP rates to be utilized.

This section would make a technical fix to address a reference in current law to Section 403(a)(1)(D) of the Social Security Act that was repealed by the Welfare Reform Extension Act of 2003.

Section 3. Pandemic Child Care Assistance Grants

This provision would appropriate \$10 billion of additional CCES funding for fiscal year 2021 to make Pandemic Child Care Assistance Grants. 2 percent of the amount appropriated would be reserved to make grants to Indian tribes and tribal organizations, and an additional 2 percent

would be reserved to make grants to territories. Funds would be distributed to states, the District of Columbia, Indian tribes and tribal organizations, and territories based on the same proportion of payment made under the CCDBG for fiscal year 2021. This funding would not be subject to a matching requirement, and would not supplant general revenue funds for child care assistance for low-income families. Funds would be available for expenditure for the same period that would apply if the funds were considered traditional CCES funds for fiscal year 2021. Any unobligated funds would be redistributed.

Funds could be used for CCDBG uses allowable under Title VIII Division B of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, including providing child care assistance to essential workers. This section would expand the definition of essential worker used in the CARES Act. Under this proposal, an essential worker would be defined as a health sector employee, emergency responder, sanitation worker, member of the child care workforce, member of the child welfare workforce, member of the domestic violence workforce, member of the prevention services workforce, a worker at a business deemed by a state or local government official as essential, and any other worker who cannot telework and is deemed by a state or local government official as essential.

If a lead agency chooses to use funds to make subgrants, a lead agency would need to prioritize funding child care services that:

- are provided during nontraditional hours;
- serve dual language learners, children with disabilities, children experiencing homelessness, children in foster care, children from low-income families, or infants and toddlers;
- serve a high proportion of children whose families are eligible for CCDBG subsidies;
- operate in communities, including rural communities, with a low supply of child care.

Within 90 days of the date of enactment, each lead agency in a state, Indian tribe or tribal organization, and territory would be required to submit a report to HHS detailing the lead agency's planned use of funds from the Pandemic Child Care Assistance grant and would be held harmless in the event the lead agency was unable to submit a report by the deadline. Lead agencies would be required to submit a final report to HHS by December 31, 2022 that would specify how the grant funds were spent and detail the number and type of eligible child care providers assisted, along with the average income levels of families assisted with grant funds. Lead agencies would be required to make these reports publicly available concurrent with submission to HHS.

Within 180 days of enactment, HHS would be required to submit a report to Congress summarizing the lead agency reports detailing their planned uses of grant funds. HHS would also

be required to submit to Congress a report summarizing all final reports from lead agencies by April 30, 2024.

This provision appropriates an additional \$50 million to HHS to provide technical assistance and cover administrative expenses associated with the Pandemic Child Care Assistance grants.

Section 4. Grants to Improve the Child Care Supply, Quality, and Affordability in Child Care Deserts

This provision would appropriate \$15 billion of additional CCES funding for fiscal year 2022 to make grants to improve the supply, quality, and affordability of child care in areas of particular need. 2 percent would be reserved to make grants to Indian tribes and tribal organizations, and an additional 2 percent would be reserved to make grants to territories. Funds would be distributed to states, the District of Columbia, Indian tribes and tribal organizations, and territories based on the same proportion of payment made under the CCDBG for fiscal year 2022. This funding would not be subject to a matching requirement, and would not supplant general revenue funds for child care assistance for low-income families. Funds would be available for expenditure for the same period that would apply if the funds were considered traditional CCES funds for fiscal year 2022. Any unobligated funds would be redistributed.

This section would authorize HHS to reserve ½ to 1 percent of funds to provide technical assistance in association with the grants. It also would allow HHS to reserve ½ to 1 percent of funds to carry out an evaluation of the impact grant funds had on the supply, quality, and affordability of child care in areas determined to be in particular need of child care. This section would also appropriate an additional \$75 million to HHS to provide technical assistance and cover administrative expenses associated with the grants.

Funds would be used for activities permitted under Section 658G(b) of the CCDBG Act to improve the quality of child care services and increase parental options for, and access to, high-quality child care, especially in areas of concentrated poverty. Activities would be in alignment with a lead agency's most recent assessment of needs to carry out services and care and could be used to:

- Increase child care slots in child care facilities and family child care homes;
- Establish or expand the operation of community or neighborhood-based family child care networks;
- Provide funding for construction and renovation of child care facilities and family child care homes including the purchase or improvement of land; a major renovation; repurposing facilities; and the purchase, construction, or permanent improvement of any building or facility, including minor remodeling and for upgrading child care facilities to meet health and safety requirements;
- Provide start-up funding and assistance to new providers;
- Support professional development and training for the child care workforce;
- Establish or increase payment rates for child care.

Funds used for construction or infrastructure projects would be available for expenditure through September, 30, 2026. Funds from a grant could be used for administrative costs but are limited to 5 percent for a state and 15 percent for an Indian tribe or tribal organization.

If a lead agency chooses to use funds to make subgrants, a lead agency would need to prioritize funding child care services that:

- are provided during nontraditional hours;
- serve dual language learners, children with disabilities, children experiencing homelessness, children in foster care, children from low-income families, or infants and toddlers;
- serve a high proportion of children whose families are eligible for CCDBG subsidies;
- operate in communities, including rural communities, with a low supply of child care.

This section would require a lead agency to submit an amendment to their CCDBG plan describing the methods the agency proposes to use to identify areas of child care need, the locations, size and scope of the areas identified in need, and an outline of how the agency proposes to use the grants to improve the child care supply, quality, and affordability for all families living in those areas.

Lead agencies would be required to submit a final report to HHS by December 31, 2024 describing the impact of funds on the supply of child care in the areas determined to be in particular need of child care, whether the funds were used for construction or infrastructure projects and the statuses of those projects, and to the extent possible, the impact the funds had on the supply, quality, and affordability of child care.

This section would also require HHS to conduct an evaluation from a geographically diverse selection of lead agencies to examine the impact grant funds had on improving the supply, quality, and affordability of child care in areas of determined need.