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(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

To amend section 2202 of the American Rescue Plan Act of 2021 to authorize States to expand the uses of the child care stabilization funds to include support for grants to increase access to child care through the establishment and expansion of child care programs by businesses.

IN THE HOUSE OF REPRESENTATIVES

Mrs. STEEL introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend section 2202 of the American Rescue Plan Act of 2021 to authorize States to expand the uses of the child care stabilization funds to include support for grants to increase access to child care through the establishment and expansion of child care programs by businesses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; PURPOSE.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Expanding Employer-Sponsored Child Care Grants Act
4 of 2021”.

5 (b) PURPOSE.—The purpose of this Act is to support
6 the recovery and stability of the United States economy
7 by providing grants to businesses to aid in opening child
8 care programs, establishing partnerships with existing
9 providers, or expanding existing child care services to meet
10 the demand for child care for working parents.

11 **SEC. 2. AMENDMENTS.**

12 Section 2202 of the American Rescue Plan Act of
13 2021 (Public Law 117-2; March 11, 2021) is amended—

14 (1) in subsection (e)(1), by striking “such a
15 subgrant” and inserting “a subgrant under sub-
16 section (d)”;

17 (2) by redesignating subsection (f) as sub-
18 section (h); and

19 (3) by inserting after subsection (e) the fol-
20 lowing:

21 “(f) SUBGRANTS FOR BUSINESSES TO PROVIDE
22 CHILD CARE SERVICES.—

23 “(1) IN GENERAL.—Notwithstanding para-
24 graphs (1) and (2)(A) of subsection (d), and with
25 the authorization of the State under paragraph (5),
26 the lead agency may use any unobligated grant

1 funds awarded pursuant to subsection (c) (including
2 any such funds otherwise reserved under subsection
3 (d)(1)) to make subgrants to eligible businesses to
4 assist in paying for the establishment and operation
5 or expansion of child care services for a transition
6 period of not more than 9 months, so that working
7 parents have a safe place for their children to receive
8 child care. Any fund used for subgrants under this
9 subsection shall be obligated before October 1, 2024,
10 and expended before October 1, 2025. Subgrants
11 made under this subsection shall be known as ‘Ex-
12 panding Employer-Sponsored Child Care subgrants’.

13 “(2) DEFINITIONS.—In this subsection:

14 “(A) ELIGIBLE BUSINESS.—The term ‘eli-
15 gible business’ means a business that seeks to
16 provide or expand child care services for the
17 children of such business’ employees or to part-
18 ner with an eligible child care provider for such
19 services.

20 “(B) ELIGIBLE CHILD CARE PROVIDER.—
21 Notwithstanding subsection (a)(2), the term ‘el-
22 igible child care provider’ means—

23 “(i) an eligible child care provider, as
24 defined in section 658P(6)(A) of the Child

1 Care and Development Block Grant Act of
2 1990 (42 U.S.C. 9858n(6)(A));

3 “(ii) a child care provider that—

4 “(I) is license-exempt and oper-
5 ating legally in the State;

6 “(II) is not providing child care
7 services to relatives; and

8 “(III) satisfies State and local re-
9 quirements, including those referenced
10 in section 658E(c)(2)(I) of the Child
11 Care and Development Block Grant
12 Act of 1990 ((42 U.S.C.
13 9858c)(c)(2)(I)); or

14 “(iii) a new child care provider that,
15 on or before the date such provider begins
16 to provide child care services, will—

17 “(I) be licensed, regulated, or
18 registered in the State, territory, or
19 Indian Tribe; and

20 “(II) meet applicable State and
21 local health and safety requirements.

22 “(3) REQUIREMENTS OF LEAD AGENCY.—In
23 carrying out this subsection, a lead agency shall—

1 “(A) require as a condition of receiving a
2 subgrant under this subsection that each eligi-
3 ble business applying for such a subgrant—

4 “(i)(I) will use subgrant funds for the
5 sole purpose of establishing or expanding a
6 child care program and providing child
7 care services for the children of such busi-
8 ness’ employees; or

9 “(II) will operate in partnership with
10 an eligible child care provider to provide
11 child care services for the children of such
12 business’ employees;

13 “(ii) agree to follow all applicable
14 State, local, and Tribal health and safety
15 requirements and, if applicable, enhanced
16 protocols for child care services related to
17 COVID–19 or another health or safety
18 condition;

19 “(iii) agree to comply with any report-
20 ing requirements the lead agency deter-
21 mines are necessary for the agency to com-
22 ply with paragraph (6); and

23 “(iv) certify in good faith that the
24 child care program of the business will re-
25 main open for not less than 1 year after

1 receiving such a subgrant unless such pro-
2 gram is closed due to extraordinary cir-
3 cumstances, including a state of emergency
4 declared by the Governor or a major dis-
5 aster or emergency declared by the Presi-
6 dent under section 401 or 501, respec-
7 tively, of the Robert T. Stafford Disaster
8 Relief and Emergency Assistance Act (42
9 U.S.C. 5170, 5191);

10 “(B) ensure eligible businesses in urban,
11 suburban, and rural areas can readily apply for
12 and access funding under this section, which
13 shall include the provision of technical assist-
14 ance either directly or through resource and re-
15 ferral agencies;

16 “(C) give priority for subgrant awards ac-
17 cording to geographically based child care serv-
18 ice needs across the State or Tribal community,
19 with special consideration given to rural areas;
20 and

21 “(D) make available to the public, which
22 shall include, at a minimum, posting to an
23 internet website of the lead agency—

1 “(i) notice of funding availability
2 through subgrants for eligible businesses
3 under this section; and

4 “(ii) the criteria for awarding sub-
5 grants for eligible businesses.

6 “(4) SUBGRANTS TO BUSINESSES.—

7 “(A) USE OF FUNDS.—An eligible business
8 that receives funds through a subgrant author-
9 ized under this subsection shall use such funds
10 to carry out activities related to establishing a
11 child care program, expanding a child care pro-
12 gram, or contracting with an eligible child care
13 provider to offer child care services for the em-
14 ployees of such business.

15 “(B) SUBGRANT APPLICATION.—To be eli-
16 gible to receive a subgrant under this para-
17 graph, an eligible business shall submit an ap-
18 plication to the lead agency in such form and
19 containing such information as the lead agency
20 may reasonably require, including—

21 “(i) a plan for offering access or ex-
22 panding access to child care services for
23 the employees of such business that in-
24 cludes—

1 “(I) information describing how
2 the eligible business will use the
3 subgrant funds to cover slots for the
4 children of their employees;

5 “(II) if applicable, the amount of
6 tuition or copayments employees will
7 be expected to pay;

8 “(III) child care enrollment and
9 attendance projections or, if applica-
10 ble, how funds used for expansion will
11 increase the enrollment and attend-
12 ance projections; and

13 “(IV) a demonstration of how the
14 eligible business will sustain its oper-
15 ations after the cessation of funding
16 under this section;

17 “(ii) assurances that the eligible busi-
18 ness will—

19 “(I) report to the lead agency
20 data on current average enrollment
21 and attendance;

22 “(II) provide any documentation
23 to the lead agency that the agency de-
24 termines is necessary to comply with
25 paragraph (6), including providing

1 documentation of expenditures of
2 subgrant funds; and

3 “(III) implement all applicable
4 State, local, and Tribal health and
5 safety requirements and, if applicable,
6 enhanced protocols for child care serv-
7 ices and related to COVID–19 or an-
8 other health or safety condition; and

9 “(iii) a certification in good faith that
10 the child care program will remain open
11 for not less than 1 year after receiving a
12 subgrant under this subsection unless such
13 program is closed due to extraordinary cir-
14 cumstances described in paragraph
15 (3)(A)(iv).

16 “(C) REPAYMENT OF SUBGRANT FUNDS.—
17 An eligible business that receives a subgrant
18 under this paragraph shall be required to repay
19 the subgrant funds if the lead agency deter-
20 mines that the business fails to provide the as-
21 surances described in subparagraph (B)(ii), or
22 to comply with such an assurance.

23 “(5) AMENDED PLAN AND REPORT.—If a State
24 elects to authorize the lead agency to provide sub-
25 grants to eligible businesses under this subsection,

1 the State shall amend the State plan submitted
2 under section 658E of the Child Care and Develop-
3 ment Block Grant Act of 1990 (42 U.S.C. 9858c)
4 to specify—

5 “(A) how the lead agency plans to award
6 subgrants to eligible businesses;

7 “(B) how the lead agency will consider pri-
8 orities for subgrants related to geographically-
9 based child care service needs across the State
10 or Tribal community and in rural areas; and

11 “(C) any goals regarding increase in access
12 to child care, such as—

13 “(i) the number or type of eligible
14 businesses that will receive a subgrant
15 under this subsection; or

16 “(ii) the increase in the number of
17 children served State-wide.

18 “(6) REPORTING REQUIREMENTS.—

19 “(A) LEAD AGENCY REPORT.—A lead
20 agency that makes subgrants under this sub-
21 section shall, not later than January 1, 2026,
22 submit a report on such subgrants to the Sec-
23 retary that includes, for the State or Tribal
24 community involved—

1 “(i) a description of how the lead
2 agency determined—

3 “(I) the criteria for awarding
4 subgrants for eligible businesses, in-
5 cluding the methodology the lead
6 agency used to determine and dis-
7 burse funds to such businesses; and

8 “(II) the types of eligible busi-
9 nesses that received priority for the
10 subgrants, including considerations re-
11 lated to geographically-based child
12 care service needs across the State or
13 Tribal community and in rural areas;

14 “(ii) the number of eligible businesses
15 that received a subgrant under this sub-
16 section, disaggregated by age of children
17 served, geography, region, the average and
18 range of the amounts of the subgrants
19 awarded, and whether such businesses
20 were operating their own child care pro-
21 gram or partnering with an eligible child
22 care provider; and

23 “(iii) information concerning how eli-
24 gible businesses receiving subgrants under

1 this subsection used the subgrant funding
2 received.

3 “(B) REPORT TO CONGRESS.—Not later
4 than 90 days after receiving the lead agency re-
5 ports required under subparagraph (A), the
6 Secretary shall make publicly available and pro-
7 vide to the Committee on Finance and the
8 Committee on Health, Education, Labor, and
9 Pensions of the Senate and the Committee on
10 Education and Labor and the Committee on
11 Ways and Means of the House of Representa-
12 tives a report summarizing the findings of the
13 lead agency reports.”.