Subtitle C—Child Care Access and Equity

SEC. 132001. CHILD CARE ACCESS.

Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is amended by inserting after section 418 the following:

“SEC. 418A. CHILD CARE ACCESS.

“(a) Establishing State Child Care Information Networks.—

“(1) Development.—The Secretary shall conduct a stakeholder engagement process to make recommendations about the development and implementation of the State Child Care Information Networks to be operated by the States, Indian tribes, and territories. The stakeholder engagement process may include parents, center-based child care providers, home-based child care providers, child care policy experts, trade associations, labor unions, and other organizations representing child care providers.

“(2) Models.—The Secretary may use funds made available to the Secretary for administrative
purposes to establish national technology models for State Child Care Information Networks, and guidance on development and establishment of interoperable data governance systems that address privacy and allow for sharing and storing data across information systems, including guidance on alignment with State child care consumer education websites.

“(3) DATA EXCHANGE STANDARDS AND INTEROPERABILITY.—

“(A) DESIGNATION AND USE OF DATA EXCHANGE STANDARDS.—

“(i) DESIGNATION.—The Secretary shall, in consultation with an interagency work group established by the Office of Management and Budget and considering State government perspectives, designate data exchange standards for necessary categories of information that the Child Care Information Network is required to electronically exchange with another agency under applicable Federal law.

“(ii) DATA EXCHANGE STANDARDS MUST BE NONPROPRIETARY AND INTEROPERABLE.—The data exchange standards designated under clause (i) shall, to the ex-
tent practicable, be nonproprietary and interoperable.

“(iii) Other requirements.—In designating data exchange standards under this subparagraph, the Secretary shall, to the extent practicable, incorporate—

“(I) interoperable standards developed and maintained by an international voluntary consensus standards body, as defined by the Office of Management and Budget;

“(II) interoperable standards developed and maintained by intergovernmental partnerships, such as the National Information Exchange Model; and

“(III) interoperable standards developed and maintained by Federal entities with authority over contracting and financial assistance.

“(B) Data exchange standards for federal reporting.—

“(i) Designation.—The Secretary shall, in consultation with an interagency work group established by the Office of
Management and Budget, and considering State government perspectives, designate data exchange standards to govern Federal reporting and exchange requirements under applicable Federal law.

“(ii) REQUIREMENTS.—The data exchange reporting standards required by clause (i) shall, to the extent practicable—

“(I) incorporate a widely accepted, nonproprietary, searchable, computer-readable format;

“(II) be consistent with and implement applicable accounting principles;

“(III) be implemented in a manner that is cost-effective and improves program efficiency and effectiveness; and

“(IV) be capable of being continually upgraded as necessary.

“(iii) INCORPORATION OF NONPROPRIETARY STANDARDS.—In designating data exchange standards under this subparagraph, the Secretary shall, to the extent
practicable, incorporate existing nonproprietary standards.

“(iv) Rule of Interpretation.—Nothing in this subparagraph shall be construed to require a change to existing data exchange standards for Federal reporting under this section if the Secretary finds the standards to be effective and efficient.

“(4) State Requirements.—A State meets the requirements of this paragraph with respect to a quarter if—

“(A) during the quarter, the State has maintained an up-to-date, publicly available compilation of child care providers who are registered, licensed, or regulated by the State (in this section referred to as the ‘State Child Care Information Network’), that includes, with respect to each such provider—

“(i) where the provider is located, and a description of any fees imposed by the provider and the services offered by the provider;

“(ii) whether the provider is providing child care services that may be funded under section 418;
“(iii) the hours of operation of the provider;

“(iv) whether the provider offers child care to the general public, and if so, where an application for child care services from the provider may be obtained, or a direct link to such an application;

“(v) the total number of children, by age group, for whom the provider is providing child care services, and how many openings are available with the provider by age group;

“(vi) whether the provider has a waiting list for child care services, and if so, the average length of time parents are on the waiting list before being offered child care services and how to join the list;

“(vii) the type of child care (such as family child care or center-based care) provided, differentiating between licensed and license-exempt child care providers; and

“(viii) information about the languages spoken by staff of the child care provider, and such other information as the Secretary may require to help parents
determine whether the provider can meet their child care needs and the parents can enroll a child in care, such as quality indicators or accreditation status;

“(B) the State Child Care Information Network—

“(i) by grant or contract, has been maintained or jointly maintained by—

“(I) a child care resource and referral agency that has operated in the last fiscal year;

“(II) a local child care resource and referral agency that has operated in the most recently completed fiscal year and has applied to become a State Child Information Network; or

“(III) the lead agency, the State licensing entity, or other appropriate entities;

“(ii) may have been maintained in coordination with, or jointly with, other federally funded systems, so long as there is no supplantation of funding; and

“(iii) has been made—
“(I) publicly available, including through the Internet and by telephone, to families seeking information about obtaining child care services; and

“(II) accessible to State, county, and other government staff involved in the provision of child care;

“(C) the State requires each provider listed in the State Child Care Information Network (or, at the option of the provider, another entity designated by the provider) to update the information described in clauses (v) and (vi) of subparagraph (A) on a weekly basis, and to update all other information described in subparagraph (A) not less frequently than quarterly, and ensures that publicly available information in the State Child Care Information Network indicates when the slot availability information about the provider was most recently updated; and

“(D) the State has submitted to the Secretary a plan that includes an estimate of the total capacity of licensed, regulated, and registered provider slots, and a description of the eligible expenditures the State will make in the
quarter, which may be submitted with other plans required by the Secretary.

“(b) FUNDING STATE CHILD CARE INFORMATION NETWORKS.—

“(1) START-UP FUNDS.—

“(A) GRANTS.—For each fiscal year specified in subparagraph (C), the Secretary shall make grants to lead agencies to conduct activities related to the planning and implementation of State Child Care Information Networks, which may include scaling systems such as non-profit community-based referral registries, staffed Family Child Care Networks, and child care resource and referral systems.

“(B) DISTRIBUTION.—The Secretary shall distribute the grant funds to the States that are not territories in accordance with the formula referred to in section 418(a)(2)(B), and to the territories according to relative need.

“(C) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary $200,000,000 for each of fiscal years 2022 and 2023 for grants under this paragraph.

“(2) MATCHING GRANTS.—
“(A) IN GENERAL.—The Secretary shall pay to each State that meets the requirements of subsection (a)(4) with respect to a calendar quarter in any of fiscal years 2022 through 2026 an amount equal to 75 percent of the eligible expenditures of the State in the quarter, subject to subsection (d)(3).

“(B) ELIGIBLE EXPENDITURES.—In this section, the term ‘eligible expenditures’ means all of the following, but only to the extent supplementing, and not supplanting, funds made available under other law:

“(i) STATE CHILD CARE INFORMATION NETWORK.—Expenditures to carry out subsection (a)(4).

“(ii) EASE OF APPLICATION FOR SUBSIDIZED CHILD CARE CERTIFICATE.—Expenditures to establish an option, as indicated by the State in a plan describing planned eligible expenditures (which may be submitted with other plans required by the Secretary)—

“(I) for a family to file an application for a subsidized child care certificate with a child care provider, for
the provider to submit the application
to the State for processing, or for the
lead agency, a local child care re-
source and referral agency, or other
tentity under grant or contract to re-
spond to the family;

“(II) to establish a statewide
common application for child care,
which—

“(aa) allows an application
with respect to a child to be sub-
mitted simultaneously to multiple
child care providers;

“(bb) allows the application
to be for a particular site and
schedule;

“(cc) is considered an appli-
cation directly to each such pro-
vider involved for purposes of any
decision of the provider regarding
a wait list or an open slot based
on the application date;

“(dd) safeguards confiden-
tial information; and
“(ee) allows for such a provider to seek and collect information not on the common application so that the provider may determine the priority to be given to the applicant on any waiting list or for other specialized admission criteria such as disability services; or

“(III) to enable child care providers to respond to families through other application methods.

“(iii) Expenditures for technology needed to participate in the State Child Care Information Network.—Expenditures for child care providers, lead agencies, and contractors to support system-building and system-implementation activities associated with the State Child Care Information Network, including data interoperability and the installation and maintenance of equipment and software needed to develop, implement, maintain, and provide electronic access to the State Child Care Information Network.
“(iv) PARTICIPATION INCENTIVES.—

Expenditures to provide financial incentives and support to child care providers for whom participating in the State Child Care Information Network would be costly or time consuming. In providing the incentives, a lead agency—

“(I) shall take into account the differential burden on varying types of providers to ensure that the incentives are sufficient to encourage all types of providers, including family-based providers, to participate in the State Child Care Information Network;

“(II) may coordinate with staffed Family Child Care Networks, child care resource and referral organizations, labor unions, labor-management partnerships, or other community-based organizations, to ensure that home-based providers are able to participate in the State Child Care Information Network; and

“(III) may reimburse coordinating partners and other entities for
expenses associated with helping providers participate in the Child Care Information Network and provide information required under subsection (a)(4)(A).

“(C) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary for each of fiscal years 2022 through 2026 such sums as are necessary for grants under this paragraph.

“(c) HHS PARTICIPATING CHILD CARE PROVIDER CERTIFICATION.—

“(1) IN GENERAL.—The Secretary shall—

“(A) maintain current information on child care providers who are qualified to receive the HHS Participating Child Care Provider Certification for a calendar quarter, and historical information on child care providers who were so qualified for a prior calendar quarter, including a quarter in a prior year, (in this section referred to as the ‘HHS Participating Child Care Provider Certification’) based on the information submitted by lead agencies;

“(B) update the list of providers who are so qualified, 1 month before the end of each
quarter, and electronically share with the Internal Revenue Service current and historical information on the providers who are so qualified; and

“(C) at the end of each calendar year and on request of any provider listed in the HHS Participating Child Care Provider Certification who has qualified for the certification for an entire calendar quarter, provide the provider and the lead agency of the jurisdiction in which the provider is located written documentation of the quarters with respect to which the provider was so qualified.

“(2) QUALIFICATIONS.—A child care provider is qualified to receive the HHS Participating Child Care Provider Certification for a calendar quarter if the provider—

“(A)(i) is licensed with a State as a provider of child care services, or is in a license-exempt category of providers that meets all health and safety standards and has zero unresolved violations;

“(ii) is providing child care services that may be funded under section 418;
“(iii) has submitted to the State Child Care Information Network, on a weekly basis, the information on all available child care slots with the provider required under subsection (a)(4)(A)(v), and the waiting list information required under subsection (a)(4)(A)(vi);

“(iv) makes child care slots available to the general public, when available, subject to any clearly explained priority system; and

“(v) is in compliance with other requirements set by the State regarding applications for or inquiries about available child care slots;
or

“(B) was so qualified for the entire 3-month period preceding the most recent update made under paragraph (1)(B).

“(d) ADMINISTRATIVE PROVISIONS.—

“(1) ACCURACY CHECKS.—The Secretary shall periodically conduct accuracy checks of randomly sampled child care providers participating in any State Child Care Information Network to determine whether the providers are updating their slot availability on a weekly basis, and if not, estimate the statewide rate at which the providers are doing so.
“(2) PRIVACY; SECURITY.—The Secretary shall issue guidance regarding data interoperability (in accord- 
cance with the data exchange standards for inter-
operability) and the privacy and security of person-
ally identifiable information in any State Child Care 
Information Network.

“(3) PENALTY FOR EXCESSIVE ERRORS IN 
STATE CHILD CARE INFORMATION NETWORK.—The 
percentage specified in subsection (b)(2)(A) with re-
spect to a State shall be 70 percent if—

“(A) a check conducted under paragraph 
(1) of this subsection reveals that the number 
of child care providers erroneously included or 
erroneously not included in the State Child 
Care Information Network is at least 10 per-
cent of the number of providers included in the 
network; and

“(B) the State has not submitted to the 
Secretary a report demonstrating that action 
has been taken to reduce that error rate to less 
than 10 percent.

“(4) ELIGIBLE EXPENDITURES.—The Secretary 
shall issue guidance to States which specifies the ex-
penditures that will be considered eligible expendi-
tures for purposes of this section.
“(5) Publication of amount of eligible expenditures of each state.—Before issuing grant awards for fiscal year 2023 or a succeeding fiscal year, the Secretary, in consultation with the States, shall annually publish the amount of eligible expenditures of each State in the preceding fiscal year.

“(e) Appropriation.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated $50,000,000 for each of fiscal years 2022 through 2026 for administrative expenses in carrying out subsections (c) and (d).”.

SEC. 132002. INFRASTRUCTURE GRANTS TO IMPROVE CHILD CARE SAFETY.

Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is further amended by inserting after section 418A the following:

“SEC. 418B. INFRASTRUCTURE GRANTS TO IMPROVE CHILD CARE SAFETY.

“(a) Child Care Facilities Grants.—

“(1) Grants to States.—

“(A) In general.—The Secretary shall award grants to States for the purpose of helping child care providers acquire, construct, ren-
ovate, or improve child care facilities, including adapting, reconfiguring, or expanding facilities.

“(B) DURATION OF GRANTS.—The Secretary shall award grants under this paragraph within 12 months after the date of the enactment of this section, for a period of not more than 5 years.

“(C) PLAN APPROVAL REQUIRED BEFORE USING GRANT.—A State to which a grant is made under this paragraph shall not obligate or expend the grant funds unless the State has submitted to the Secretary, and the Secretary has approved, a plan that—

“(i) includes an analysis or assessment, in such form and manner as the Secretary may require, of the need of the State for child care infrastructure;

“(ii) is submitted at such time, in such manner, and containing such other information as the Secretary may require, which information shall—

“(I) be disaggregated as the Secretary may require; and

“(II) include a plan to use a portion of the grant funds to report to
the Secretary on the effects of using
the grant funds to improve child care
facilities, including center-based and
home-based child care facilities; and
“(iii) complies with paragraph (3), if
applicable.
“(D) REQUIREMENT.—In allocating grants
awards under this paragraph, the Secretary
shall require approved plans to include elements
that—
“(i) provide for improving center-
based and home-based child care programs
to meet or surpass State health and safety
standards, or include a project designed so
that a facility is expected to meet or sur-
pass State health and safety standards on
completion of the project;
“(ii) aim to meet specific needs across
urban, suburban, or rural areas as deter-
mined by the State;
“(iii) show evidence of collaboration
with—
“(I) local government officials;
“(II) other State agencies;
“(III) nongovernmental organizations, such as—

“(aa) certified community development financial institutions as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702) that have been certified by the Community Development Financial Institutions Fund (12 U.S.C. 4703); and

“(bb) organizations that have demonstrated experience in—

“(AA) providing technical or financial assistance for the acquisition, construction, renovation, or improvement of child care facilities;

“(BB) providing technical, financial, or managerial assistance to child care providers; and
“(CC) securing private sources of capital financing for child care facilities or other community development projects eligible for assistance from a child care assistance program; and

“(IV) local community organizations, such as—

“(aa) child care providers;

“(bb) community care agencies;

“(cc) resource and referral agencies; and

“(dd) labor unions and other employers of infrastructure trades that pay the prevailing wage; and

“(iv) provide for improving the facilities of child care providers who qualify for the HHS Participating Child Care Provider Certification for at least 1 fiscal quarter before the date of application for the grant.

“(E) MATCHING REQUIREMENT.—
“(i) IN GENERAL.—As a condition of the receipt of a grant under this paragraph, a State shall agree to make available, directly or through donations from public or private entities, contributions with respect to the costs to be covered by the grant, which may be provided in cash or in kind, in an amount equal to 10 percent of the funds provided through the grant.

“(ii) DETERMINATION OF AMOUNT CONTRIBUTED.—Such a matching contribution may include philanthropic or private-sector funds.

“(F) AMOUNT LIMIT.—The annual amount of a grant under this paragraph may not exceed $250,000,000.

“(G) PROHIBITION.—The Secretary may not, as a condition of making a grant under this paragraph or section 418D, retain an interest in any property, including any project involving a privately-owned family child care home or tribal land.

“(H) REPORT.—Not later than 6 months after the last day of the grant period, a State
to which a grant is made under this paragraph shall submit to the Secretary the report referred to in subparagraph (C)(ii)(II)—

“(i) to determine the effects of the grant in constructing, renovating, or improving child care facilities, including any changes in response to public health guidelines or efforts associated with natural disaster emergency preparedness and response and any effects on access to child care; and

“(ii) to provide such other information as the Secretary may require.

“(I) RETURN OF GRANT IF PLAN NOT APPROVED WITHIN 2 YEARS.—A State to which a grant is made under this paragraph shall remit the grant to the Secretary if the Secretary has not provided the approval required by subparagraph (C) within 2 years after the date the grant is made.

“(2) GRANTS TO INTERMEDIARY ORGANIZATIONS.—

“(A) IN GENERAL.—The Secretary may award grants to intermediary organizations, such as certified community development finan-
cial institutions or other organizations with demonstrated experience in child care facilities financing, for the purpose of providing technical assistance, capacity-building, and financial products to develop or finance child care facilities.

“(B) APPLICATION.—A grant under this paragraph may be made only to an intermediary organization that submits to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, that complies with paragraph (3) if applicable.

“(C) CONSULTATION.—In selecting intermediary organizations for grants under this paragraph, the Secretary shall conduct consultations with organizations that—

“(i) demonstrate experience in child care facility financing or related community facility financing;

“(ii) demonstrate the capacity to assist States and local governments in developing child care facilities and programs;

“(iii) demonstrate the ability to leverage grant funding to support financing
tools to build the capacity of child care providers, such as through credit enhancements;

“(iv) propose to focus on child care facilities that operate under nontraditional hours;

“(v) propose to meet a diversity of needs across urban, suburban, and rural areas at varying types of center-based, home-based, and other child care settings, including early care programs located in buildings in which the care center is the sole occupant or in mixed-use properties; and

“(vi) propose to focus on child care facilities primarily serving low-income populations and children who have not attained 13 years of age.

“(D) AMOUNT LIMIT.—The amount of a grant under this paragraph may not exceed $15,000,000.

“(E) ANNUAL REPORT REQUIRED.—As a condition of receiving funds under this paragraph, the recipient shall submit annual reports to the lead agency of the jurisdiction in which
the recipient is located documenting how the recipient has expended the funds and updating the planned future expenditures described in the application submitted by the recipient for the funds.

“(3) LABOR STANDARDS.—In the case of an application for a grant under this subsection for a project to construct, renovate, or improve a child care facility, including a project to adapt, reconfigure, or expand such a facility, the application shall include a written assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of construction, alteration, or repair, as part of the project, shall be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter of part A of subtitle II of title 40, United States Code (commonly referred to as the ‘Davis-Bacon Act’), and with respect to the labor standards specified in such subchapter, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 Fed. Reg. 3176; 5 U.S.C. App.).

“(4) USE OF FUNDS.—
“(A) INFRASTRUCTURE IMPROVEMENT.—

“(i) IN GENERAL.—A recipient of funds under this subsection may use the funds only to acquire, construct, renovate, or otherwise physically improve the infrastructure of a building primarily used for the provision of child care services by a child care provider, subject to clause (ii).

“(ii) PROHIBITION.—A recipient of funds under this subsection may not use the funds for modernization, renovation, or repair of facilities—

“(I) that are primarily used for sectarian instruction or religious worship; or

“(II) in which a substantial portion of the functions of the facilities are subsumed in a religious mission.

“(B) RULES APPLICABLE TO LEAD AGENCIES.—A lead agency that is a recipient of funds under this subsection may use not more than 5 percent of the funds for administrative purposes which may be in addition to evaluation and reporting activities, and shall use the balance of the funds to enter into grants or con-
tracts, on a competitive basis, with entities to
carry out projects to acquire, construct, ren-
ovate, or complete other physical improvements
to buildings in which child care services are
provided or will be provided on completion of
the project.

“(b) APPROPRIATION.—Out of any funds in the
Treasury not otherwise appropriated, there is appro-
priated $15,000,000,000 for fiscal year 2022 to carry out
this section, which shall remain available through fiscal
year 2026.

“(c) RESERVATIONS OF FUNDS.—

“(1) TERRITORIES.—The Secretary shall re-
serve $100,000,000 of the amount made available to
carry out this section, for grants to territories.

“(2) ADMINISTRATION.—The Secretary may re-
serve not more than $200,000,000 of the amount
made available to carry out this section, for adminis-
trative costs.

“(3) ASSESSMENTS AND DEVELOPMENT
PLANS.—The Secretary shall reserve for each lead
agency not more than $100,000 to conduct assess-
ments and develop plans for obligating and expend-
ing funds provided under this section, which may be
expended by a lead agency immediately on receipt.
“(4) DATA EXCHANGE STANDARDS FOR INTEROPERABILITY.—The Secretary may reserve not more than $200,000 of the amount made available to carry out this section to implement data exchange standards for interoperability.

“(d) LIMITATION ON AVAILABILITY OF FUNDS FOR GRANTS FOR INTERMEDIARY ORGANIZATIONS.—Not more than $2,250,000,000 of the total amount made available to carry out this section may be used to carry out subsection (a)(2).”.

SEC. 132003. TECHNICAL ASSISTANCE.

Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is further amended by inserting after section 418B the following:

“SEC. 418C. TECHNICAL ASSISTANCE.

“(a) IN GENERAL.—

“(1) CHILD CARE INFORMATION NETWORK.—The Secretary shall provide technical assistance to lead agencies to support the development and implementation of, and ongoing full participation in, State Child Care Information Networks provided for in section 418A(a)(4).

“(2) CHILD CARE INFRASTRUCTURE.—The Secretary shall provide technical assistance—
“(A) to child care small business owners, entrepreneurs, nonprofit organizations, and child care infrastructure grant recipients, for the purpose of starting new licensed child care businesses, or re-opening a closed child care facility, in areas in which there is a child care shortage or that are at risk of having such a shortage;

“(B) to State and local governments to incentivize public-private partnerships to identify excess buildings and land and conduct feasibility studies, for new or expanded child care options that could be available to child care entrepreneurs and infrastructure grantees, or used for publicly-run child care facilities; and

“(C) to support child care business technical assistance, which may include strategies to support management training and shared services initiatives including provider networks such as child care center alliances and family child care home provider networks, as well as fundamental business support needs such as budgeting and fiscal management skills, business planning, understanding the cost of quality, and
core best business practices such as record-keeping and payment reconciliation.

“(3) **Supplementing national technical assistance efforts.**—The Secretary may provide technical assistance to States (and submit to the Congress reports on technical assistance activities) to increase child care availability and affordability, including by—

“(A) providing technical assistance on best practices for conducting market rate surveys and establishing State reimbursement rates and price-per-child rates for child care for children who have not attained 13 years of age;

“(B) increasing child care availability in tribal communities for families with children who have not attained 13 years of age;

“(C) improving the effectiveness and affordability of child care assistance programs in meeting the needs of low-income parents; or

“(D) collecting, managing, analyzing, and reporting child care administrative data, and use the data to support documentation of changes in child care availability and affordability.
“(b) ADMINISTRATIVE PROVISION.—The Secretary may carry out this section through means including the use of grants or cooperative agreements.

“(c) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated $17,500,000 for each of fiscal years 2022 through 2026 to carry out this section.”.

SEC. 132004. TRIBAL CHILD CARE ACCESS AND GROWTH.

Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is further amended by inserting after section 418C the following:

“SEC. 418D. TRIBAL CHILD CARE ACCESS AND GROWTH.

“(a) HHS CONSULTATIONS WITH INDIAN TRIBES.—Of the amount appropriated under subsection (e) for each fiscal year, the Secretary shall use not more than $1,000,000 to—

“(1) conduct such consultations with Indian tribes and tribal organizations as are necessary to determine how to better conduct consumer outreach and education and provide timely availability for child care slots, improve child care infrastructure, and otherwise inform best practices and guidelines for carrying out the activities described in subsection (b); and
“(2) provide technical assistance to the lead agencies of Indian tribes and tribal organizations with respect to carrying out the activities.

“(b) ACTIVITIES DESCRIBED.—The activities described in this subsection are the following:

“(1) Planning, start-up, implementation, and maintenance costs associated with establishing and funding a Child Care Information Network designed to help parents determine which child care providers can meet their child care needs and to give parents ease of access in enrolling their children in child care.

“(2) Coordinating with the Secretary regarding the HHS Participating Child Care Provider Certification provided for in section 418A(c).

“(3) Conducting infrastructure projects to improve the safety of child care facilities.

“(c) GRANTS.—

“(1) IN GENERAL.—Of the amount appropriated under subsection (e) for each fiscal year, the Secretary shall use not less than $199,000,000 to make grants to the lead agencies of Indian tribes and tribal organizations for activities described in subsection (b), which are to be carried out in accordance with such rules as the Secretary may prescribe,
taking into account the results of the consultations conducted under subsection (a)(1).

“(2) ALLOCATION.—The Secretary may make grants under this subsection according to relative need.

“(d) NONSUPPLANTATION.—An entity to which an amount is provided under this section shall use the amount to supplement, but not supplant, other funds provided for any purpose or activity for which the amount is used.

“(e) APPROPRIATION.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to the Secretary $200,000,000 for each of fiscal years 2022 through 2026 to carry out this section.”.

SEC. 132005. RAISING THE FLOOR FOR CHILD CARE PROVIDER WAGES.

(a) PLANNING FOR CHILD CARE WAGE GRANTS FOR SMALL BUSINESSES.—

(1) IN GENERAL.—For the purpose of maintaining an effective and diverse child care workforce, effective upon enactment, through the end of fiscal year 2022, the Secretary of Health and Human Services shall, regarding the development and implementation of the Child Care Wage Grant program
provided for in section 418E of the Social Security Act (as added by subsection (b) of this section)—

(A) issue guidance to lead agencies (as defined in such section) with respect to—

(i) consultation with field engagement organizations (as defined in such section);

(ii) wage supplement calculations, with the option of providing a bonus that may not be more than the equivalent of an annual wage;

(iii) application requirements;

(iv) reporting requirements;

(v) anti-discrimination protection measures; and

(vi) other related activities;

(B) engage in hiring, training, developing work plans, developing outreach materials, and other administrative overhead activities; and

(C) consult with relevant entities such as tribal leaders, governors, county and local government, and community stakeholders.

(2) FUNDING.—Out of any money in the Treasury not otherwise appropriated, there is appropriated to the Secretary of Health and Human Serv-
ices $10,000,000, to remain available through September 30, 2022, to carry out this paragraph.

(b) IMPLEMENTATION.—Part A of title IV of the Social Security Act (42 U.S.C. 601–619) is further amended by inserting after section 418D the following:

“SEC. 418E. CHILD CARE WAGE GRANTS FOR SMALL BUSINESSES.

“(a) GRANTS TO LEAD AGENCIES.—

“(1) GRANTS.—

“(A) IN GENERAL.—The Secretary shall make grants to reimburse State, tribal, and territorial lead agencies for the amount of child care wage grants made to qualifying child care providers under lead agency child care wage grant programs, and for documented costs of administering the programs that are directly related to determining provider eligibility, making payments, data collection, and verifying provider compliance with program rules.

“(B) LIMITATION ON REIMBURSEMENT FOR DOCUMENTED ADMINISTRATIVE COSTS.—The amount of the reimbursement for the documented administrative costs shall not exceed 5 percent of the total amount of the child care wage grants.
“(2) Consultation required as a condition of eligibility.—A lead agency shall not be eligible for a grant under this section with respect to a child care wage grant program unless the lead agency has consulted with field engagement organizations in developing and implementing the program, including application process, eligibility determinations, community outreach, and such other aspects of the program as the Secretary deems appropriate, and if, after the consultation, the lead agency intends to operate a child care wage grant program for small businesses, the lead agency shall submit to the Secretary a certification that the lead agency has conducted such a consultation and intends to submit a claim for reimbursement with respect to program expenditures at the end of the fiscal year.

“(b) State Child Care Wage Grant Program.—

“(1) In general.—A lead agency child care wage grant program is a program operated by a lead agency under which a child care wage grant is made to a qualified child care provider for the 1-year period covered by the grant, in an amount equal to the aggregate of the eligible child care wage supplements provided by the qualified child care provider during
the year, which year shall not begin before October 1, 2022.

“(2) Reporting requirement.—

“(A) In general.—A recipient of a child care wage grant from a lead agency shall submit to the lead agency every fiscal quarter a report that includes documentation of how the grant has been expended including the number of full or part-time workers providing child care and whether each such worker worked for the full year, a description of the wage levels and demographics of the child care employees of the qualified child care provider, and such other information as the Secretary may require, and may allow field engagement organizations to support grant recipients in meeting quarterly reporting requirements.

“(B) Authority to extend deadline.—A lead agency may approve a request from such a recipient to extend the reporting deadline for 90 days, but shall accompany such an approval with a notice that failure to submit all information required in the report will result in future ineligibility for such a grant.
“(c) Reimbursement; Advance Estimated Payment.—A lead agency may submit to the Secretary a request for reimbursement or estimated advance payment of the costs of operating the lead agency child care wage grant program for the 1-year period covered by the request, which shall include documentation of the grant awards made to qualified child care providers under the program, an assurance that not more than 5 percent of the costs in the reimbursement request are for administrative costs, an assurance that the State will repay any advances based on payments to child care providers that were in excess of costs allowable under this section (including payments for workers who did not work for the full year) or based on State administrative costs in excess of 5 percent, and the following:

“(1) Qualified child care provider application data, including the number of qualified child care providers and the proportion of applications that were approved under the program, documentation of rejected applications, including the reason for disqualification, and demographic data of applicants.

“(2) Qualified child care provider wage subsidy data, including wage levels, the size and type of the qualified child care provider, the number of children served by the qualified child care provider,
verification that the child care wage grant provided to the qualified child care provider was not used to supplant Federal funds, verification that the qualified child care provider performs child care services as the primary function of the qualified child care provider, verification that qualifying child care provider applications are approved for 1 year, and documentation of the number of full-time and part-time child care employees (which may include sole proprietors) including the portion of the year for which each employee was employed with that provider to provide child care.

“(3) Certification that each qualified child care provider is not eligible to receive a child care payroll tax credit under section 3135 of the Internal Revenue Code of 1986 with respect to wages paid to any child care employee of the qualified child care provider.

“(4) Qualified child care provider demographic data, including racial, ethnic, and gender data of the qualified child care provider and child care employees.

“(5) Documentation of qualified child care provider wages, and documentation of child care wages that, in the absence of a grant made under this sec-
tion, would have been paid at not less than the applic-
able minimum rate.

“(6) Documentation that each qualified child care provider is licensed by, registered with, or regulated by the State.

“(7) Documentation that each qualified child care provider was so qualified throughout the year with respect to which reimbursement is sought.

“(8) Documentation that each employee for which a grant is sought was employed for the full year, or if not, for what portion of the year they were employed.

“(9) Such other relevant items as the Secretary may require.

“(d) Penalties.—

“(1) Misuse of Child Care Wage Grant.— If the Secretary finds that a qualified child care provider has used funds provided under this section with respect to a year other than to supplement the applicable minimum rate of child care wages for an employee engaged in child care work for the reported period, the qualified child care provider shall—

“(A) repay to the lead agency all funds so provided to the child care provider for the year; and
“(B) be ineligible for the succeeding 2 years to receive funds made available under this section.

“(2) DECREASE IN NUMBER OF CHILD CARE EMPLOYEES.—If a recipient of a child care wage grant for a year reports under subsection (b)(2)(A) that the number of child care employees of the recipient has decreased during the year, then—

“(A) the lead agency shall proportionately decrease the amount of the child care wage grant (if any) payable to the recipient for the next year; or

“(B) if the recipient is not awarded a child care wage grant for the next year, the recipient shall remit to the lead agency a portion of the grant equal to the proportionate decrease in the number of child care employees of the provider.

“(e) APPROPRIATION.—Out of any money in the Treasury not otherwise appropriated, there is appropriated to the Secretary for each of fiscal years 2023 through 2026 such sums as may be necessary for reimbursements or estimated payments referred to in subsection (a).

“(f) DEFINITIONS.—In this section:
‘(1) applicable minimum rate.—The term ‘applicable minimum rate’ means the rate at which basic pay is payable for a position at level 3, step 1, of the General Schedule under subchapter III of chapter 53 of title 5, United States Code, including any applicable locality-based comparability payment under section 5304 of such title or similar authority, at the time such wages are paid and determined with respect to the locality in which services are provided.

‘(2) child care wages.—The term ‘child care wages’ means—

‘(A) wages paid to an employee for services in providing child care; and

‘(B) an owner’s draw in lieu of wages, in the case of a sole proprietor who provides child care services or an owner who directly provides child care services alongside employees.

‘(3) child care employee.—The term ‘child care employee’ means an employee—

‘(A) who is employed by a qualified child care provider;

‘(B) who provides child care services as a primary function of employment; and
“(C) whose wages do not qualify under section 3135(a) of the Internal Revenue Code of 1986.

“(4) ELIGIBLE CHILD CARE WAGE SUPPLEMENT.—

“(A) IN GENERAL.—The term ‘eligible child care wage supplement’ means, with respect to a year, a supplement to child care wages of an employee (or owner), but only to the extent that the total amount of the child care wage supplements provided to the employee (or owner) during the year—

“(i) in the case of a full-time employee (or an owner who works on a full-time basis), is not more than $16,000; or

“(ii) in the case of a part-time employee (or an owner who works on a part-time basis), is not more than $10,000.

In the case of any employee who is not employed as a child care employee for the full year, the maximum dollar amounts set forth in the preceding sentence shall be proportionately reduced.

“(B) INFLATION ADJUSTMENT.—Each dollar amount in effect under subparagraph (A)
with respect to a year shall be increased by a percentage equal to the percentage (if any) by which the Consumer Price Index for all urban consumers (U.S. city average) increased during the 12-month period ending with the last month for which Consumer Price Index data is available.

“(5) FIELD ENGAGEMENT ORGANIZATION.—
The term ‘field engagement organization’ means any nonprofit, community-based organization, labor union, trade association, staffed family child care network, child care resource and referral organization, or local government entity with experience providing representation, technical assistance, or community supports to child care providers or individuals seeking to enter or re-enter the child care market.

“(6) QUALIFIED CHILD CARE PROVIDER.—The term ‘qualified child care provider’ means an entity who—

“(A) provides child care services as the primary function of the entity;

“(B) is registered with, or regulated or licensed by, the State as a child care provider;
“(C) at the time of application for a child care wage grant under this section, does not have an unresolved violation of a State law or regulation pertaining to health or safety in the provision of child care services;

“(D) has at least 1 employee whose wages may not be taken into account under section 3135(a) of the Internal Revenue Code of 1986 because the employee is a sole proprietor or reports self-employment income;

“(E) as of the time of the application, pays child care wages at a rate that is at least the applicable minimum rate, and certifies that the entity will not reduce the hourly wage rate of any employee during the 1-year period for which the entity has applied for a child care wage grant under this section; and

“(F) has submitted to the lead agency all data requested by the Secretary under this section;

“(G) has submitted the application to the lead agency, which has approved the application; and

“(H) has not failed to include all information required to be included in any quarterly re-
port required by subsection (b)(2) to be submitted by the entity with respect to the year preceding the year for which the application is submitted.”

SEC. 132006. COMMON PROVISIONS.

(a) DEFINITIONS.—Section 419 of the Social Security Act (42 U.S.C. 619) is amended by adding at the end the following:

“(6) LEAD AGENCY.—The term ‘lead agency’ means, with respect to a jurisdiction, the lead agency responsible for administering the child care assistance program of the jurisdiction.

“(7) TERRITORY.—The term ‘territory’ means the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.”.

(b) REPORTS TO THE CONGRESS.—Section 411 of such Act (42 U.S.C. 611) is amended by adding at the end the following:

“(e) REPORTS ON CERTAIN STATE CHILD CARE EXPENDITURES.—The Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate biennial reports on—
“(1) eligible expenditures (as defined in section 418A(b)(2)(B)) by the States, and on expenditures by the Secretary under section 418A during the period covered by the report;

“(2) the extent to which payments under section 418A have been made with respect to the expenditures;

“(3) to the extent that any funds made available to carry out such section have not been expended, the reasons therefor; and

“(4) expenditures under section 418C.”.

(c) Inapplicability of Payment Limitation.—
Section 1108(a) of such Act (42 U.S.C. 1308(a)) is amended by inserting “418A, 418B, 418C, 418D, 418E,” before “or”.

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