

117TH CONGRESS
1ST SESSION

H. R. 3878

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

JUNE 14, 2021

Mrs. STEEL (for herself and Mr. SCHWEIKERT) introduced the following bill;
which was referred to the Committee on Education and Labor

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,*

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

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

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

7 **SEC. 2. AMENDMENTS.**

8 Section 2202 of the American Rescue Plan Act of
9 2021 (Public Law 117–2; March 11, 2021) is amended—

10 (1) in subsection (e)(1), by striking “such a
11 subgrant” and inserting “a subgrant under sub-
12 section (d)”;

13 (2) by redesignating subsection (f) as sub-
14 section (h); and

15 (3) by inserting after subsection (e) the fol-
16 lowing:

17 “(f) SUBGRANTS FOR BUSINESSES TO PROVIDE
18 CHILD CARE SERVICES.—

19 “(1) IN GENERAL.—Notwithstanding para-
20 graphs (1) and (2)(A) of subsection (d), and with
21 the authorization of the State under paragraph (5),
22 the lead agency may use any unobligated grant
23 funds awarded pursuant to subsection (c) (including
24 any such funds otherwise reserved under subsection
25 (d)(1)) to make subgrants to eligible businesses to

1 assist in paying for the establishment and operation
2 or expansion of child care services for a transition
3 period of not more than 9 months, so that working
4 parents have a safe place for their children to receive
5 child care. Any fund used for subgrants under this
6 subsection shall be obligated before October 1, 2024,
7 and expended before October 1, 2025. Subgrants
8 made under this subsection shall be known as ‘Ex-
9 panding Employer-Sponsored Child Care subgrants’.

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

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

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

20 “(i) an eligible child care provider, as
21 defined in section 658P(6)(A) of the Child
22 Care and Development Block Grant Act of
23 1990 (42 U.S.C. 9858n(6)(A));

24 “(ii) a child care provider that—

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

3 “(II) is not providing child care
4 services to relatives; and

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

11 “(iii) a new child care provider that,
12 on or before the date such provider begins
13 to provide child care services, will—

14 “(I) be licensed, regulated, or
15 registered in the State, territory, or
16 Indian Tribe; and

17 “(II) meet applicable State and
18 local health and safety requirements.

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

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

24 “(i)(I) will use subgrant funds for the
25 sole purpose of establishing or expanding a

1 child care program and providing child
2 care services for the children of such busi-
3 ness' employees; or

4 “(II) will operate in partnership with
5 an eligible child care provider to provide
6 child care services for the children of such
7 business' employees;

8 “(ii) agree to follow all applicable
9 State, local, and Tribal health and safety
10 requirements and, if applicable, enhanced
11 protocols for child care services related to
12 COVID–19 or another health or safety
13 condition;

14 “(iii) agree to comply with any report-
15 ing requirements the lead agency deter-
16 mines are necessary for the agency to com-
17 ply with paragraph (6); and

18 “(iv) certify in good faith that the
19 child care program of the business will re-
20 main open for not less than 1 year after
21 receiving such a subgrant unless such pro-
22 gram is closed due to extraordinary cir-
23 cumstances, including a state of emergency
24 declared by the Governor or a major dis-
25 aster or emergency declared by the Presi-

1 dent under section 401 or 501, respec-
2 tively, of the Robert T. Stafford Disaster
3 Relief and Emergency Assistance Act (42
4 U.S.C. 5170, 5191);

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

11 “(C) give priority for subgrant awards ac-
12 cording to geographically based child care serv-
13 ice needs across the State or Tribal community,
14 with special consideration given to rural areas;
15 and

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

19 “(i) notice of funding availability
20 through subgrants for eligible businesses
21 under this section; and

22 “(ii) the criteria for awarding sub-
23 grants for eligible businesses.

24 “(4) SUBGRANTS TO BUSINESSES.—

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

9 “(B) SUBGRANT APPLICATION.—To be eli-
10 gible to receive a subgrant under this para-
11 graph, an eligible business shall submit an ap-
12 plication to the lead agency in such form and
13 containing such information as the lead agency
14 may reasonably require, including—

15 “(i) a plan for offering access or ex-
16 panding access to child care services for
17 the employees of such business that in-
18 cludes—

19 “(I) information describing how
20 the eligible business will use the
21 subgrant funds to cover slots for the
22 children of their employees;

23 “(II) if applicable, the amount of
24 tuition or copayments employees will
25 be expected to pay;

1 “(III) child care enrollment and
2 attendance projections or, if applica-
3 ble, how funds used for expansion will
4 increase the enrollment and attend-
5 ance projections; and

6 “(IV) a demonstration of how the
7 eligible business will sustain its oper-
8 ations after the cessation of funding
9 under this section;

10 “(ii) assurances that the eligible busi-
11 ness will—

12 “(I) report to the lead agency
13 data on current average enrollment
14 and attendance;

15 “(II) provide any documentation
16 to the lead agency that the agency de-
17 termines is necessary to comply with
18 paragraph (6), including providing
19 documentation of expenditures of
20 subgrant funds; and

21 “(III) implement all applicable
22 State, local, and Tribal health and
23 safety requirements and, if applicable,
24 enhanced protocols for child care serv-

1 ices and related to COVID–19 or an-
2 other health or safety condition; and
3 “(iii) a certification in good faith that
4 the child care program will remain open
5 for not less than 1 year after receiving a
6 subgrant under this subsection unless such
7 program is closed due to extraordinary cir-
8 cumstances described in paragraph
9 (3)(A)(iv).

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

17 “(5) AMENDED PLAN AND REPORT.—If a State
18 elects to authorize the lead agency to provide sub-
19 grants to eligible businesses under this subsection,
20 the State shall amend the State plan submitted
21 under section 658E of the Child Care and Develop-
22 ment Block Grant Act of 1990 (42 U.S.C. 9858c)
23 to specify—

24 “(A) how the lead agency plans to award
25 subgrants to eligible businesses;

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

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

7 “(i) the number or type of eligible
8 businesses that will receive a subgrant
9 under this subsection; or

10 “(ii) the increase in the number of
11 children served State-wide.

12 “(6) REPORTING REQUIREMENTS.—

13 “(A) LEAD AGENCY REPORT.—A lead
14 agency that makes subgrants under this sub-
15 section shall, not later than January 1, 2026,
16 submit a report on such subgrants to the Sec-
17 retary that includes, for the State or Tribal
18 community involved—

19 “(i) a description of how the lead
20 agency determined—

21 “(I) the criteria for awarding
22 subgrants for eligible businesses, in-
23 cluding the methodology the lead
24 agency used to determine and dis-
25burse funds to such businesses; and

1 “(II) the types of eligible busi-
2 nesses that received priority for the
3 subgrants, including considerations re-
4 lated to geographically based child
5 care service needs across the State or
6 Tribal community and in rural areas;

7 “(ii) the number of eligible businesses
8 that received a subgrant under this sub-
9 section, disaggregated by age of children
10 served, geography, region, the average and
11 range of the amounts of the subgrants
12 awarded, and whether such businesses
13 were operating their own child care pro-
14 gram or partnering with an eligible child
15 care provider; and

16 “(iii) information concerning how eli-
17 gible businesses receiving subgrants under
18 this subsection used the subgrant funding
19 received.

20 “(B) REPORT TO CONGRESS.—Not later
21 than 90 days after receiving the lead agency re-
22 ports required under subparagraph (A), the
23 Secretary shall make publicly available and pro-
24 vide to the Committee on Finance and the
25 Committee on Health, Education, Labor, and

1 Pensions of the Senate and the Committee on
2 Education and Labor and the Committee on
3 Ways and Means of the House of Representa-
4 tives a report summarizing the findings of the
5 lead agency reports.”.

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