

116TH CONGRESS
2D SESSION

H. R. 7327

AN ACT

Making additional supplemental appropriations for disaster relief requirements for the fiscal year ending September 30, 2020, and for other purposes.

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.**

2 This Act may be cited as the “Child Care for Eco-
3 nomic Recovery Act”.

4 **SEC. 2. REFERENCES.**

5 Except as expressly provided otherwise, any reference
6 to “this Act” contained in any division of this Act shall
7 be treated as referring only to the provisions of that divi-
8 sion.

9 **DIVISION A—EMERGENCY CHILD CARE**
10 **SUPPORT APPROPRIATIONS**

11 The following sums in this Act are appropriated, out
12 of any money in the Treasury not otherwise appropriated,
13 for the fiscal year ending September 30, 2020, and for
14 other purposes, namely:

15 **TITLE I—DEPARTMENT OF THE TREASURY**

16 **INTERNAL REVENUE SERVICES**

17 **TAXPAYER SERVICES**

18 For an additional amount for “Taxpayer Services”,
19 \$5,000,000, to remain available until expended, for mak-
20 ing grants under the Community Volunteer Income Tax
21 Assistance Matching Grants Program established under
22 section 7526A of the Internal Revenue Code of 1986: *Pro-*
23 *vided*, That the matching funds requirement in section
24 7526A(b)(2) shall not apply to funds made available under
25 this heading in this Act: *Provided further*, That such
26 amount is designated by the Congress as being for an

1 emergency requirement pursuant to section
2 251(b)(2)(A)(i) of the Balanced Budget and Emergency
3 Deficit Control Act of 1985.

4 TITLE II—DEPARTMENT OF HEALTH AND
5 HUMAN SERVICES

6 ADMINISTRATION FOR CHILDREN AND FAMILIES

7 SOCIAL SERVICES BLOCK GRANT

8 For an additional amount for “Social Services Block
9 Grant”, \$850,000,000, to remain available until Sep-
10 tember 30, 2021, for making grants to States pursuant
11 to section 2002 of the Social Security Act: *Provided*, That
12 the amount made available under this heading in this Act
13 shall be used for necessary expenses for family care for
14 essential workers, pursuant to section 409 of division B
15 this Act: *Provided further*, That such amount is designated
16 by the Congress as being for an emergency requirement
17 pursuant to section 251(b)(2)(A)(i) of the Balanced Budg-
18 et and Emergency Deficit Control Act of 1985.

19 CHILD CARE AND DEVELOPMENT FUND

20 For an additional amount for “Child Care and Devel-
21 opment Fund”, \$10,000,000,000, to remain available
22 until September 30, 2024, for necessary expenses for in-
23 frastructure grants to improve child care safety, including
24 needs assessments, pursuant to section 418A of Part A
25 of title IV of the Social Security Act, as added by division

1 B of this Act: *Provided*, That funds made available under
 2 this heading in this Act may be used for grants for the
 3 construction, alteration, or renovation of non-federally
 4 owned facilities to improve child care safety: *Provided fur-*
 5 *ther*, That all construction, alteration, or renovation work,
 6 carried out in whole or in part with funds appropriated
 7 under this heading in this Act, shall be subject to the re-
 8 quirements of subchapter IV of chapter 31 of title 40,
 9 United States Code (commonly referred to as the “Davis-
 10 Bacon Act”): *Provided further*, That such amount is des-
 11 ignated by the Congress as being for an emergency re-
 12 quirement pursuant to section 251(b)(2)(A)(i) of the Bal-
 13 anced Budget and Emergency Deficit Control Act of 1985.

14 TITLE III—GENERAL PROVISIONS—THIS

15 DIVISION

16 SEC. 301. Each amount appropriated or made avail-
 17 able by this Act is in addition to any amounts otherwise
 18 appropriated for the fiscal year involved.

19 SEC. 302. No part of any appropriation contained in
 20 this Act shall remain available for obligation beyond the
 21 current fiscal year unless expressly so provided herein.

22 SEC. 303. Unless otherwise provided for by this Act,
 23 the additional amounts appropriated by this Act to appro-
 24 priations accounts shall be available under the authorities

1 and conditions applicable to such appropriations accounts
2 for fiscal year 2020.

3 SEC. 304. Each amount designated in this Act by the
4 Congress as being for an emergency requirement pursuant
5 to section 251(b)(2)(A)(i) of the Balanced Budget and
6 Emergency Deficit Control Act of 1985 shall be available
7 (or rescinded or transferred, if applicable) only if the
8 President subsequently so designates all such amounts
9 and transmits such designations to the Congress.

10 SEC. 305. Any amount appropriated by this Act, des-
11 ignated by the Congress as an emergency requirement
12 pursuant to section 251(b)(2)(A)(i) of the Balanced Budg-
13 et and Emergency Deficit Control Act of 1985 and subse-
14 quently so designated by the President, and transferred
15 pursuant to transfer authorities provided by this Act shall
16 retain such designation.

17 BUDGETARY EFFECTS

18 SEC. 306. (a) STATUTORY PAYGO SCORECARDS.—
19 The budgetary effects of division B shall not be entered
20 on either PAYGO scorecard maintained pursuant to sec-
21 tion 4(d) of the Statutory Pay-As-You-Go Act of 2010.

22 (b) SENATE PAYGO SCORECARDS.—The budgetary
23 effects of division B shall not be entered on any PAYGO
24 scorecard maintained for purposes of section 4106 of H.
25 Con. Res. 71 (115th Congress).

(c) CLASSIFICATION OF BUDGETARY EFFECTS.—
 Notwithstanding Rule 3 of the Budget Scorekeeping
 Guidelines set forth in the joint explanatory statement of
 the committee of conference accompanying Conference Re-
 port 105–217 and section 250(c)(8) of the Balanced
 Budget and Emergency Deficit Control Act of 1985, the
 budgetary effects of division B shall not be estimated—

(1) for purposes of section 251 of such Act; and

(2) for purposes of paragraph (4)(C) of section
 3 of the Statutory Pay-As-You-Go Act of 2010 as
 being included in an appropriation Act.

This division may be cited as the “Emergency Child
 Care Support Appropriations Act, 2020”.

DIVISION B—WORKER ACCESS TO CHILD AND FAMILY CARE

SEC. 401. SHORT TITLE.

This division may be cited as the “Worker Access to
 Child and Family Care Act”.

SEC. 402. REFUNDABILITY AND ENHANCEMENT OF CHILD AND DEPENDENT CARE TAX CREDIT.

(a) TREATMENT OF CREDIT AS REFUNDABLE.—Sec-
 tion 21 of the Internal Revenue Code of 1986 is amended
 by adding at the end the following new subsection:

“(g) TREATMENT OF CREDIT AS REFUNDABLE.—In
 the case of an individual other than a nonresident alien,

1 the credit allowed under subsection (a) shall be treated
 2 as a credit allowed under subpart C (and not allowed
 3 under this subpart).”.

4 (b) INCREASE IN APPLICABLE PERCENTAGE.—Sec-
 5 tion 21(a)(2) of such Code is amended—

6 (1) by striking “35 percent” and inserting “50
 7 percent”, and

8 (2) by striking “\$15,000” and inserting
 9 “\$120,000”.

10 (c) INCREASE IN DOLLAR LIMIT ON AMOUNT CRED-
 11 ITABLE.—Section 21(c) of such Code is amended—

12 (1) by striking “\$3,000” in paragraph (1) and
 13 inserting “\$6,000”, and

14 (2) by striking “\$6,000” in paragraph (2) and
 15 inserting “twice the amount in effect under para-
 16 graph (1)”.

17 (d) INFLATION ADJUSTMENT.—Section 21(e) of such
 18 Code is amended by adding at the end the following new
 19 paragraph:

20 “(11) INFLATION ADJUSTMENT.—In the case of
 21 any taxable year beginning after December 31,
 22 2020, the \$120,000 amount in subsection (a)(2) and
 23 the \$6,000 amount in subsection (c)(1) shall each be
 24 increased by an amount equal to—

25 “(A) such dollar amount, multiplied by

1 “(B) the cost-of-living adjustment deter-
 2 mined under section 1(f)(3) for the calendar
 3 year in which the taxable year begins, deter-
 4 mined by substituting ‘2019’ for ‘2016’ in sub-
 5 paragraph (A)(ii) thereof.

6 If any increase determined under this paragraph is
 7 not a multiple of \$100, such increase shall be round-
 8 ed to the next highest multiple of \$100.”.

9 (e) CONFORMING AMENDMENT.—Section 1324(b)(2)
 10 of title 31, United States Code, is amended by inserting
 11 “21 (by reason of subsection (g) thereof),” before “25A”.

12 (f) COORDINATION WITH POSSESSION TAX SYS-
 13 TEMS.—Section 21(g)(1) of the Internal Revenue Code of
 14 1986 (as added by this section) shall not apply to any per-
 15 son—

16 (1) to whom a credit is allowed against taxes
 17 imposed by a possession with a mirror code tax sys-
 18 tem by reason of the application of section 21 of
 19 such Code in such possession for such taxable year,
 20 or

21 (2) to whom a credit would be allowed against
 22 taxes imposed by a possession which does not have
 23 a mirror code tax system if the provisions of section
 24 21 of such Code had been in effect in such posses-
 25 sion for such taxable year.

1 (g) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to taxable years beginning after
 3 December 31, 2019.

4 **SEC. 403. INCREASE IN EXCLUSION FOR EMPLOYER-PRO-**
 5 **VIDED DEPENDENT CARE ASSISTANCE.**

6 (a) IN GENERAL.—Section 129(a)(2)(A) of the Inter-
 7 nal Revenue Code of 1986 is amended by striking “\$5,000
 8 (\$2,500” and inserting “\$10,500 (half such dollar
 9 amount”.

10 (b) INFLATION ADJUSTMENT.—Section 129(a)(2) is
 11 amended by adding at the end the following new subpara-
 12 graph:

13 “(D) INFLATION ADJUSTMENT.—In the
 14 case of any taxable year beginning after Decem-
 15 ber 31, 2020, the \$10,500 amount in subpara-
 16 graph (A) shall be increased by an amount
 17 equal to—

18 “(i) such dollar amount, multiplied by

19 “(ii) the cost-of-living adjustment de-
 20 termined under section 1(f)(3) for the cal-
 21 endar year in which the taxable year be-
 22 gins, determined by substituting ‘2019’ for
 23 ‘2016’ in subparagraph (A)(ii) thereof.

24 Any increase determined under the preceding
 25 sentence which is not a multiple of \$50, shall

1 be rounded to the next highest multiple of
2 \$50.”.

3 (c) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to taxable years beginning after
5 December 31, 2019.

6 (d) PLAN AMENDMENTS.—A plan or other arrange-
7 ment that otherwise satisfies all applicable requirements
8 of sections 106, 125, and 129 of the Internal Revenue
9 Code of 1986 (including any rules or regulations there-
10 under) shall not fail to be treated as a cafeteria plan or
11 dependent care flexible spending arrangement merely be-
12 cause such plan or arrangement is amended pursuant to
13 the amendments made by this section and such amend-
14 ment is retroactive, if—

15 (1) such amendment is adopted no later than
16 the last day of the first plan year beginning after
17 December 31, 2019, and

18 (2) the plan or arrangement is operated con-
19 sistent with the terms of such amendment during
20 the period beginning on the effective date of the
21 amendment and ending on the date the amendment
22 is adopted.

1 **SEC. 404. PAYROLL CREDIT FOR CERTAIN FIXED EXPENSES**
2 **OF CHILD CARE FACILITIES SUBJECT TO**
3 **CLOSURE BY REASON OF COVID-19.**

4 (a) IN GENERAL.—In the case of an eligible em-
5 ployer, there shall be allowed as a credit against applicable
6 employment taxes for each calendar quarter an amount
7 equal to 50 percent of the qualified fixed expenses paid
8 or incurred by such employer during such calendar quar-
9 ter.

10 (b) LIMITATIONS AND REFUNDABILITY.—

11 (1) OVERALL QUARTERLY DOLLAR LIMITA-
12 TION.—The qualified fixed expenses which may be
13 taken into account under subsection (a) (determined
14 after the application of paragraph (2)) by any eligi-
15 ble employer for any calendar quarter shall not ex-
16 ceed the least of—

17 (A) the qualified fixed expenses paid by the
18 eligible employer in the same calendar quarter
19 of calendar year 2019,

20 (B) \$25,000,000, or

21 (C) the greater of—

22 (i) 25 percent of the wages paid with
23 respect to the employment of all the em-
24 ployees of the eligible employer for such
25 calendar quarter, or

1 (ii) 6.25 percent of the gross receipts
2 of the eligible employer for calendar year
3 2019.

4 (2) PER FACILITY QUARTERLY DOLLAR LIMITA-
5 TION.—The qualified fixed expenses which may be
6 taken into account under subsection (a) by any eligi-
7 ble employer for any calendar quarter with respect
8 to any facility of such employer shall not exceed
9 \$50,000.

10 (3) CREDIT LIMITED TO CERTAIN EMPLOYMENT
11 TAXES.—The credit allowed by subsection (a) with
12 respect to any calendar quarter shall not exceed the
13 applicable employment taxes for such calendar quar-
14 ter (reduced by any credits allowed under sub-
15 sections (e) and (f) of section 3111 of such Code,
16 sections 7001 and 7003 of the Families First
17 Coronavirus Response Act, and section 2301 of the
18 CARES Act, for such quarter) on the wages paid
19 with respect to the employment of all the employees
20 of the eligible employer for such calendar quarter.

21 (4) REFUNDABILITY OF EXCESS CREDIT.—

22 (A) IN GENERAL.—If the amount of the
23 credit under subsection (a) exceeds the limita-
24 tion of paragraph (3) for any calendar quarter,
25 such excess shall be treated as an overpayment

1 that shall be refunded under sections 6402(a)
 2 and 6413(b) of the Internal Revenue Code of
 3 1986.

4 (B) TREATMENT OF PAYMENTS.—For pur-
 5 poses of section 1324 of title 31, United States
 6 Code, any amounts due to an employer under
 7 this paragraph shall be treated in the same
 8 manner as a refund due from a credit provision
 9 referred to in subsection (b)(2) of such section.

10 (c) DEFINITIONS.—For purposes of this section—

11 (1) APPLICABLE EMPLOYMENT TAXES.—The
 12 term “applicable employment taxes” means the fol-
 13 lowing:

14 (A) The taxes imposed under section
 15 3111(a) of the Internal Revenue Code of 1986.

16 (B) So much of the taxes imposed under
 17 section 3221(a) of such Code as are attrib-
 18 utable to the rate in effect under section
 19 3111(a) of such Code.

20 (2) ELIGIBLE EMPLOYER.—

21 (A) IN GENERAL.—The term “eligible em-
 22 ployer” means any employer—

23 (i) which was carrying on a trade or
 24 business engaged in the provision of child
 25 care assistance at a qualified child care fa-

1 cility (within the meaning of section
2 45F(c)(2)(A) of such Code without regard
3 to the last sentence thereof) at any time
4 during calendar year 2020, and

5 (ii) with respect to any calendar quar-
6 ter, for which—

7 (I) the operation of the trade or
8 business described in clause (i) is fully
9 or partially suspended during the cal-
10 endar quarter due to orders from an
11 appropriate governmental authority
12 limiting commerce, travel, or group
13 meetings (for commercial, social, reli-
14 gious, or other purposes) due to the
15 coronavirus disease 2019 (COVID-
16 19), or

17 (II) such calendar quarter is
18 within the period described in sub-
19 paragraph (B).

20 (B) SIGNIFICANT DECLINE IN GROSS RE-
21 CEIPTS.—The period described in this subpara-
22 graph is the period—

23 (i) beginning with the first calendar
24 quarter beginning after December 31,
25 2019, for which gross receipts (within the

1 meaning of section 448(c) of the Internal
2 Revenue Code of 1986) for the calendar
3 quarter are less than 90 percent of gross
4 receipts for the same calendar quarter in
5 the prior year, and

6 (ii) ending with the calendar quarter
7 following the first calendar quarter begin-
8 ning after a calendar quarter described in
9 clause (i) for which gross receipts of such
10 employer are greater than 90 percent of
11 gross receipts for the same calendar quar-
12 ter in the prior year.

13 (C) TAX-EXEMPT ORGANIZATIONS.—In the
14 case of an organization which is described in
15 section 501(c) of the Internal Revenue Code of
16 1986 and exempt from tax under section 501(a)
17 of such Code—

18 (i) any reference in this section to a
19 trade or business shall be treated as a ref-
20 erence to the operations of such organiza-
21 tion which are related to the provision of
22 child care assistance (within the meaning
23 of subparagraph (A)(i)), and

24 (ii) any reference in this section to
25 gross receipts shall be treated as a ref-

1 erence to gross receipts within the meaning
2 of section 6033 of the Internal Revenue
3 Code of 1986.

4 (D) PHASE-IN OF CREDIT WHERE BUSI-
5 NESS NOT SUSPENDED AND REDUCTION IN
6 GROSS RECEIPTS LESS THAN 50 PERCENT.—

7 (i) IN GENERAL.—In the case of any
8 calendar quarter with respect to which an
9 eligible employer would not be an eligible
10 employer if subparagraph (B)(i) were ap-
11 plied by substituting “50 percent” for “90
12 percent”, the amount of the credit allowed
13 under subsection (a) shall be reduced by
14 the amount which bears the same ratio to
15 the amount of such credit (determined
16 without regard to this subparagraph) as—

17 (I) the excess gross receipts per-
18 centage point amount, bears to

19 (II) 40 percentage points.

20 (ii) EXCESS GROSS RECEIPTS PER-
21 CENTAGE POINT AMOUNT.—For purposes
22 of this subparagraph, the term “excess
23 gross receipts percentage point amount”
24 means, with respect to any calendar quar-
25 ter, the excess of—

1 (I) the lowest of the gross re-
2 cepts percentage point amounts de-
3 termined with respect to any calendar
4 quarter during the period ending with
5 such calendar quarter and beginning
6 with the first calendar quarter during
7 the period described in subparagraph
8 (B), over

9 (II) 50 percentage points.

10 (iii) GROSS RECEIPTS PERCENTAGE
11 POINT AMOUNTS.—For purposes of this
12 subparagraph, the term “gross receipts
13 percentage point amount” means, with re-
14 spect to any calendar quarter, the percent-
15 age (expressed as a number of percentage
16 points) obtained by dividing—

17 (I) the gross receipts (within the
18 meaning of subparagraph (B)) for
19 such calendar quarter, by

20 (II) the gross receipts for the
21 same calendar quarter in calendar
22 year 2019.

23 (3) QUALIFIED FIXED EXPENSES.—

24 (A) IN GENERAL.—The term “qualified
25 fixed expenses” means the payment or accrual,

1 in the ordinary course of the eligible employer's
2 trade or business, of any covered mortgage obli-
3 gation, covered rent obligation, or covered util-
4 ity payment. Such term shall not include the
5 prepayment of any obligation for a period in ex-
6 cess of a month unless the payment for such
7 period is customarily due in advance. Such term
8 shall not include any payment or accrual of any
9 obligation or payment which is with respect to
10 property which is not located in the United
11 States or any possession of the United States.

12 (B) APPLICATION OF DEFINITIONS.—The
13 terms “covered mortgage obligation”, “covered
14 rent obligation”, and “covered utility payment”
15 shall each have the same meaning as when used
16 in section 1106 of the CARES Act.

17 (4) SECRETARY.—The term “Secretary” means
18 the Secretary of the Treasury or the Secretary's del-
19 egate.

20 (5) WAGES.—

21 (A) IN GENERAL.—The term “wages”
22 means wages (as defined in section 3121(a) of
23 the Internal Revenue Code of 1986) and com-
24 pensation (as defined in section 3231(e) of such
25 Code). For purposes of the preceding sentence

(other than for purposes of subsection (b)(2)), wages as defined in section 3121(a) of such Code shall be determined without regard to paragraphs (1), (8), (10), (13), (18), (19), and (22) of section 3121(b) of such Code.

(B) ALLOWANCE FOR CERTAIN HEALTH PLAN EXPENSES.—

(i) IN GENERAL.—Such term shall include amounts paid or incurred by the eligible employer to provide and maintain a group health plan (as defined in section 5000(b)(1) of the Internal Revenue Code of 1986), but only to the extent that such amounts are excluded from the gross income of employees by reason of section 106(a) of such Code.

(ii) ALLOCATION RULES.—For purposes of this section, amounts treated as wages under clause (i) shall be treated as paid with respect to any employee (and with respect to any period) to the extent that such amounts are properly allocable to such employee (and to such period) in such manner as the Secretary may prescribe. Except as otherwise provided by the Sec-

1 retary, such allocation shall be treated as
2 properly made if made on the basis of
3 being pro rata among periods of coverage.

4 (6) EMPLOYER.—The term “employer” means
5 any employer (as defined in section 3401(d) of such
6 Code) of at least one employee on any day in cal-
7 endar year 2020.

8 (7) OTHER TERMS.—Except as otherwise pro-
9 vided in this section, any term used in this section
10 which is also used in chapter 21 or 22 of the Inter-
11 nal Revenue Code of 1986 shall have the same
12 meaning as when used in such chapter.

13 (d) AGGREGATION RULE.—All persons treated as a
14 single employer under subsection (a) or (b) of section 52
15 of the Internal Revenue Code of 1986, or subsection (m)
16 or (o) of section 414 of such Code, shall be treated as
17 one employer for purposes of this section.

18 (e) DENIAL OF DOUBLE BENEFIT.—For purposes of
19 chapter 1 of such Code, the gross income of any eligible
20 employer, for the taxable year which includes the last day
21 of any calendar quarter with respect to which a credit is
22 allowed under this section, shall be increased by the
23 amount of such credit.

24 (f) CERTAIN GOVERNMENTAL EMPLOYERS.—

1 (1) IN GENERAL.—The credit under this section
2 shall not be allowed to the Federal Government, the
3 government of any State, of the District of Colum-
4 bia, or of any possession of the United States, any
5 tribal government, or any political subdivision, agen-
6 cy, or instrumentality of any of the foregoing.

7 (2) EXCEPTION.—Paragraph (1) shall not
8 apply to any organization described in section
9 501(c)(1) of the Internal Revenue Code of 1986 and
10 exempt from tax under section 501(a) of such Code.

11 (g) ELECTION NOT TO HAVE SECTION APPLY.—
12 This section shall not apply with respect to any eligible
13 employer for any calendar quarter if such employer elects
14 (at such time and in such manner as the Secretary may
15 prescribe) not to have this section apply.

16 (h) TRANSFERS TO CERTAIN TRUST FUNDS.—There
17 are hereby appropriated to the Federal Old-Age and Sur-
18 vivors Insurance Trust Fund and the Federal Disability
19 Insurance Trust Fund established under section 201 of
20 the Social Security Act (42 U.S.C. 401) and the Social
21 Security Equivalent Benefit Account established under
22 section 15A(a) of the Railroad Retirement Act of 1974
23 (45 U.S.C. 231n–1(a)) amounts equal to the reduction in
24 revenues to the Treasury by reason of this section (without
25 regard to this subsection). Amounts appropriated by the

1 preceding sentence shall be transferred from the general
2 fund at such times and in such manner as to replicate
3 to the extent possible the transfers which would have oc-
4 curred to such Trust Fund or Account had this section
5 not been enacted.

6 (i) TREATMENT OF DEPOSITS.—The Secretary shall
7 waive any penalty under section 6656 of such Code for
8 any failure to make a deposit of applicable employment
9 taxes if the Secretary determines that such failure was due
10 to the anticipation of the credit allowed under this section.

11 (j) THIRD-PARTY PAYORS.—Any credit allowed
12 under this section shall be treated as a credit described
13 in section 3511(d)(2) of such Code.

14 (k) REGULATIONS AND GUIDANCE.—The Secretary
15 shall issue such forms, instructions, regulations, and guid-
16 ance as are necessary—

17 (1) to allow the advance payment of the credit
18 under subsection (a), subject to the limitations pro-
19 vided in this section, based on such information as
20 the Secretary shall require,

21 (2) regulations or other guidance to provide for
22 the reconciliation of such advance payment with the
23 amount of the credit at the time of filing the return
24 of tax for the applicable quarter or taxable year,

1 (3) with respect to the application of the credit
2 under subsection (a) to third-party payors (including
3 professional employer organizations, certified profes-
4 sional employer organizations, or agents under sec-
5 tion 3504 of the Internal Revenue Code of 1986),
6 including regulations or guidance allowing such
7 payors to submit documentation necessary to sub-
8 stantiate the eligible employer status of employers
9 that use such payors,

10 (4) for application of subsection (b)(1)(A) and
11 subparagraphs (A)(ii)(II) and (B) of subsection
12 (c)(2) in the case of any employer which was not
13 carrying on a trade or business for all or part of the
14 same calendar quarter in the prior year, and

15 (5) for recapturing the benefit of credits deter-
16 mined under this section in cases where there is a
17 subsequent adjustment to the credit determined
18 under subsection (a).

19 (l) APPLICATION OF SECTION.—This section shall
20 apply only to qualified fixed expenses paid or accrued in
21 calendar quarters beginning on or after the date of the
22 enactment of this Act and before January 1, 2021.

1 **SEC. 405. PAYROLL CREDIT FOR CERTAIN EMPLOYEE DE-**
2 **PENDENT CARE EXPENSES PAID BY EMPLOY-**
3 **ERS.**

4 (a) IN GENERAL.—In the case of an employer, there
5 shall be allowed as a credit against applicable employment
6 taxes for each calendar quarter an amount equal to 30
7 percent of the qualified employee dependent care expenses
8 paid by such employer with respect to such calendar quar-
9 ter.

10 (b) LIMITATIONS AND REFUNDABILITY.—

11 (1) DOLLAR LIMITATION PER EMPLOYEE.—The
12 qualified employee dependent care expenses which
13 may be taken into account under subsection (a) with
14 respect to any employee for any calendar quarter
15 shall not exceed \$2,500.

16 (2) CREDIT LIMITED TO CERTAIN EMPLOYMENT
17 TAXES.—The credit allowed by subsection (a) with
18 respect to any calendar quarter shall not exceed the
19 applicable employment taxes for such calendar quar-
20 ter (reduced by any credits allowed under sub-
21 sections (e) and (f) of section 3111 of such Code,
22 sections 7001 and 7003 of the Families First
23 Coronavirus Response Act, section 2301 of the
24 CARES Act, and section 4 of this Act, for such
25 quarter) on the wages paid with respect to the em-

1 employment of all the employees of the employer for
2 such calendar quarter.

3 (3) REFUNDABILITY OF EXCESS CREDIT.—

4 (A) IN GENERAL.—If the amount of the
5 credit under subsection (a) exceeds the limita-
6 tion of paragraph (2) for any calendar quarter,
7 such excess shall be treated as an overpayment
8 that shall be refunded under sections 6402(a)
9 and 6413(b) of the Internal Revenue Code of
10 1986.

11 (B) TREATMENT OF PAYMENTS.—For pur-
12 poses of section 1324 of title 31, United States
13 Code, any amounts due to an employer under
14 this paragraph shall be treated in the same
15 manner as a refund due from a credit provision
16 referred to in subsection (b)(2) of such section.

17 (4) COORDINATION WITH GOVERNMENT
18 GRANTS.—The qualified employee dependent care
19 expenses taken into account under this section by
20 any employer shall be reduced by any amounts pro-
21 vided by any Federal, State, or local government for
22 purposes of making or reimbursing such expenses.

23 (c) QUALIFIED EMPLOYEE DEPENDENT CARE EX-
24 PENSES.—For purposes of this section, the term “quali-
25 fied employee dependent care expenses” means any

1 amount paid to or for the benefit of an employee in the
2 employment of the employer if—

3 (1) such amount is dependent care assistance
4 (as defined in section 129(e)(1) of the Internal Rev-
5 enue Code of 1986), and

6 (2) the employer elects (at such time and in
7 such manner as the Secretary may provide) to treat
8 such amount as a qualified employee dependent care
9 expense.

10 (d) SPECIAL RULES; OTHER DEFINITIONS.—

11 (1) APPLICATION OF CERTAIN NON-DISCRIMINA-
12 TION RULES.—No credit shall be allowed under this
13 section to any employer for any calendar quarter if
14 qualified employee dependent care expenses are pro-
15 vided by such employer to employees for such cal-
16 endar quarter in a manner which discriminates in
17 favor of highly compensated individuals (within the
18 meaning of section 125) as to eligibility for, or the
19 amount of, such benefit expenses.

20 (2) DENIAL OF DOUBLE BENEFIT.—For pur-
21 poses of chapter 1 of such Code, no deduction or
22 credit (other than the credit allowed under this sec-
23 tion) shall be allowed for so much of qualified em-
24 ployee dependent care expenses as is equal to the
25 credit allowed under this section.

1 (3) THIRD-PARTY PAYORS.—Any credit allowed
2 under this section shall be treated as a credit de-
3 scribed in section 3511(d)(2) of such Code.

4 (4) APPLICABLE EMPLOYMENT TAXES.—For
5 purposes of this section, the term “applicable em-
6 ployment taxes” means the following:

7 (A) The taxes imposed under section
8 3111(a) of the Internal Revenue Code of 1986.

9 (B) So much of the taxes imposed under
10 section 3221(a) of such Code as are attrib-
11 utable to the rate in effect under section
12 3111(a) of such Code.

13 (5) SECRETARY.—For purposes of this section,
14 the term “Secretary” means the Secretary of the
15 Treasury or the Secretary’s delegate.

16 (6) CERTAIN TERMS.—

17 (A) IN GENERAL.—Any term used in this
18 section which is also used in chapter 21 or 22
19 of such Code shall have the same meaning as
20 when used in such chapter (as the case may
21 be).

22 (B) CERTAIN PROVISIONS NOT TAKEN
23 INTO ACCOUNT EXCEPT FOR PURPOSES OF LIM-
24 ITING CREDIT TO EMPLOYMENT TAXES.—For
25 purposes of subparagraph (A) (other than with

1 respect to subsection (b)(2)), section 3121(b) of
2 such Code shall be applied without regard to
3 paragraphs (1), (5), (6), (7), (8), (10), (13),
4 (18), (19), and (22) thereof (except with re-
5 spect to services performed in a penal institu-
6 tion by an inmate thereof) and section
7 3231(e)(1) shall be applied without regard to
8 the sentence that begins “Such term does not
9 include remuneration”.

10 (e) CERTAIN GOVERNMENTAL EMPLOYERS.—

11 (1) IN GENERAL.—The credit under this section
12 shall not be allowed to the Federal Government or
13 any agency or instrumentality thereof.

14 (2) EXCEPTION.—Paragraph (1) shall not
15 apply to any organization described in section
16 501(c)(1) of the Internal Revenue Code of 1986 and
17 exempt from tax under section 501(a) of such Code.

18 (f) TREATMENT OF DEPOSITS.—The Secretary shall
19 waive any penalty under section 6656 of such Code for
20 any failure to make a deposit of applicable employment
21 taxes if the Secretary determines that such failure was due
22 to the anticipation of the credit allowed under this section.

23 (g) REGULATIONS.—The Secretary shall prescribe
24 such regulations or other guidance as may be necessary

1 to carry out the purposes of this section, including regula-
2 tions or other guidance—

3 (1) to allow the advance payment of the credit
4 determined under subsection (a), subject to the limi-
5 tations provided in this section, based on such infor-
6 mation as the Secretary shall require,

7 (2) to provide for the reconciliation of such ad-
8 vance payment with the amount of the credit at the
9 time of filing the return of tax for the applicable
10 quarter or taxable year,

11 (3) for recapturing the benefit of credits deter-
12 mined under this section in cases where there is a
13 subsequent adjustment to the credit determined
14 under subsection (a), and

15 (4) with respect to the application of the credit
16 to third party payors (including professional em-
17 ployer organizations, certified professional employer
18 organizations, or agents under section 3504 of such
19 Code), including to allow such payors to submit doc-
20 umentation necessary to substantiate eligibility for,
21 and the amount of, the credit allowed under this sec-
22 tion.

23 (h) APPLICATION OF SECTION.—This section shall
24 apply only to qualified employee dependent care expenses

1 paid in calendar quarters beginning on or after the date
2 of the enactment of this Act and before January 1, 2021.

3 (i) TRANSFERS TO CERTAIN TRUST FUNDS.—There
4 are hereby appropriated to the Federal Old-Age and Sur-
5 vivors Insurance Trust Fund and the Federal Disability
6 Insurance Trust Fund established under section 201 of
7 the Social Security Act (42 U.S.C. 401) and the Social
8 Security Equivalent Benefit Account established under
9 section 15A(a) of the Railroad Retirement Act of 1974
10 (45 U.S.C. 231n–1(a)) amounts equal to the reduction in
11 revenues to the Treasury by reason of this section (without
12 regard to this subsection). Amounts appropriated by the
13 preceding sentence shall be transferred from the general
14 fund at such times and in such manner as to replicate
15 to the extent possible the transfers which would have oc-
16 curred to such Trust Fund or Account had this section
17 not been enacted.

18 **SEC. 406. FLEXIBILITY FOR DEPENDENT CARE FLEXIBLE**
19 **SPENDING ARRANGEMENTS.**

20 (a) CARRYOVER OF UNUSED BENEFITS.—A plan or
21 other arrangement that otherwise satisfies all applicable
22 requirements of sections 106, 125, and 129 of the Internal
23 Revenue Code of 1986 (including any rules or regulations
24 thereunder) shall not fail to be treated as a cafeteria plan
25 or dependent care flexible spending arrangement merely

1 because such plan or arrangement permits participants to
2 carry over (under rules similar to the rules applicable to
3 health flexible spending arrangements) an amount, not in
4 excess of the amount in effect under section 129(a)(2)(A)
5 of such Code, of unused benefits or contributions remain-
6 ing in a dependent care flexible spending arrangement
7 from the plan year ending in 2020 to the plan year ending
8 in 2021.

9 (b) EXTENSION OF GRACE PERIODS.—A plan or
10 other arrangement that otherwise satisfies all applicable
11 requirements of sections 106, 125, or 129 of the Internal
12 Revenue Code (including any rules or regulations there-
13 under) shall not fail to be treated as a cafeteria plan or
14 dependent care flexible spending arrangement merely be-
15 cause such plan or arrangement extends the grace period
16 for the plan year ending in 2020 to 12 months after the
17 end of such plan year, with respect to unused benefits or
18 contributions remaining in a dependent care flexible
19 spending arrangement.

20 (c) DEFINITIONS.—Any term used in this section
21 which is also used in section 106, 125, or 129 of the Inter-
22 nal Revenue Code of 1986 or the rules or regulations
23 thereunder shall have the same meaning as when used in
24 such section or rules or regulations.

(d) PLAN AMENDMENTS.—A plan or other arrangement that otherwise satisfies all applicable requirements of sections 106, 125, and 129 of the Internal Revenue Code of 1986 (including any rules or regulations thereunder) shall not fail to be treated as a cafeteria plan or dependent care flexible spending arrangement merely because such plan or arrangement is amended pursuant to a provision under this section and such amendment is retroactive, if—

(1) such amendment is adopted no later than the last day of the plan year in which the amendment is effective, and

(2) the plan or arrangement is operated consistent with the terms of such amendment during the period beginning on the effective date of the amendment and ending on the date the amendment is adopted.

SEC. 407. EMPLOYEE RETENTION CREDIT ALLOWED WITH RESPECT TO EMPLOYMENT OF DOMESTIC WORKERS.

(a) IN GENERAL.—Section 2301(c)(2) of the CARES Act is amended by adding at the end the following new subparagraph:

“(D) EMPLOYERS OF DOMESTIC WORKERS.—In the case of an employer with one or

more employees who perform domestic service
(within the meaning of section 3121(a)(7) of
such Code) in the private home of such em-
ployer, with respect to such employees—

“(i) subparagraph (A) shall be ap-
plied—

“(I) by substituting ‘employing
an employee who performs domestic
service in the private home of such
employer’ for ‘carrying on a trade or
business’ in clause (i) thereof, and

“(II) by substituting ‘such em-
ployment’ for ‘the operation of the
trade or business’ in clause (ii)(I)
thereof,

“(ii) subclause (II) of subparagraph
(A)(ii) shall not apply, and

“(iii) such employer shall be treated
as a large employer.”.

(b) DENIAL OF DOUBLE BENEFIT.—Section
2301(h)(2) of the CARES Act is amended—

(1) by striking “shall not be taken into account
for purposes of” and inserting “shall not be taken
into account—

“(A) for purposes of”,

1 (2) by striking the period at the end and insert-
 2 ing “, and”, and

3 (3) by adding at the end the following:

4 “(B) if such wages are paid for domestic
 5 service described in subsection (c)(2)(E), as em-
 6 ployment-related expenses for purposes of sec-
 7 tion 21 of such Code.

8 In the case of any individual who pays wages for do-
 9 mestic service described in subsection (c)(2)(E) and
 10 receives a reimbursement for such wages which is
 11 excludible from gross income under section 129 of
 12 such Code, such wages shall not be treated as quali-
 13 fied wages for purposes of this section.”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section shall take effect as if included in section 2301
 16 of the CARES Act.

17 **SEC. 408. CHILD CARE STABILIZATION FUNDS.**

18 (a) IN GENERAL.—Section 418(a)(3) of the Social
 19 Security Act (42 U.S.C. 618(a)(3)) is amended by striking
 20 “\$2,917,000,000 for each of fiscal years 2017 and 2018”
 21 and inserting “\$10,000,000,000 for each of fiscal years
 22 2020 through 2024”.

23 (b) ADDITIONAL FUNDS NOT SUBJECT TO STATE
 24 MATCH REQUIREMENT.—With respect to the amounts ap-
 25 propriated in section 418(a)(3) of the Social Security Act

1 in excess of \$2,917,000,000 for each of fiscal years 2020
2 and 2021, section 418(a)(2)(C) of such Act shall be ap-
3 plied and administered with respect to any State that is
4 entitled to receive the entire amount that would be allotted
5 to the State under section 418(a)(2)(B) of such Act for
6 the fiscal year in the absence of this section, as if the Fed-
7 eral medical assistance percentage for the State for the
8 fiscal year were 100 percent.

9 **SEC. 409. FAMILY CARE FOR ESSENTIAL WORKERS.**

10 (a) INCREASE IN FUNDING.—The amount specified
11 in subsection (c) of section 2003 of the Social Security
12 Act for purposes of subsections (a) and (b) of such section
13 is deemed to be \$2,550,000,000 for fiscal year 2020, of
14 which \$850,000,000 shall be obligated by States during
15 calendar year 2020 in accordance with subsection (b) of
16 this section.

17 (b) RULES GOVERNING USE OF ADDITIONAL
18 FUNDS.—

19 (1) IN GENERAL.—Funds are used in accord-
20 ance with this subsection if—

21 (A) the funds are used for—

22 (i) child care services for a child of an
23 essential worker; or

1 (ii) daytime care services or other
2 adult protective services for an individual
3 who—

4 (I) is a dependent, or a member
5 of the household of, an essential work-
6 er; and

7 (II) requires the services;

8 (B) the funds are provided to reimburse an
9 essential worker for the cost of obtaining the
10 services (including child and adult care services
11 obtained on or after the date the Secretary of
12 Health and Human Services declared a public
13 health emergency pursuant to section 319 of
14 the Public Health Service Act on January 31,
15 2020, entitled “Determination that a Public
16 Health Emergency Exists Nationwide as the
17 Result of the 2019 Novel Coronavirus”), to a
18 provider of child or adult care services, or to es-
19 tablish a temporary child care facility operated
20 by a State or local government;

21 (C) eligibility for the funds or services, and
22 the amount of funds or services provided, is not
23 conditioned on a means test;

24 (D) the funds are used in consultation with
25 the lead agency designated pursuant to section

1 658D(a) of the Child Care and Development
2 Block Grant Act of 1990 by the State involved
3 and subject to the limitations in section 2005 of
4 the Social Security Act, except that, for pur-
5 poses of this subparagraph—

6 (i) paragraphs (3), (5), and (8) of sec-
7 tion 2005(a) of such Act shall not apply;
8 and

9 (ii)(I) the limitation in section
10 2005(a)(7) of such Act shall not apply
11 with respect to any standard which the
12 State involved determines would impede
13 the ability of the State to provide emer-
14 gency temporary care to a child, depend-
15 ent, or household member referred to in
16 subparagraph (A) of this paragraph if the
17 emergency temporary care would not en-
18 danger the health, safety, or development
19 of children who received the care and care
20 would otherwise not be available to support
21 the immediate, short-term family care
22 needs of essential workers; and

23 (II) if the State determines that such
24 a standard would be so impeding, the
25 State shall report the determination to the

1 Secretary, including a description of how
2 exempting standards that may impede the
3 ability of the State to provide emergency
4 temporary care did not endanger the
5 health, safety, or development of children
6 who received emergency temporary care,
7 separately from the annual report to the
8 Secretary by the State;

9 (E) the funds are used to supplement, not
10 supplant, State general revenue funds for child
11 care assistance; and

12 (F) the funds are not used for child care
13 costs that are—

14 (i) covered by funds provided under
15 the Head Start Act, a preschool develop-
16 ment grant under section 9121 of the
17 Every Student Succeeds Act (42 U.S.C.
18 9831 note), the Child Care and Develop-
19 ment Block Grant Act of 1990, section
20 418 of the Social Security Act, or another
21 federally funded dependent care program;
22 or

23 (ii) reimbursable by the Federal
24 Emergency Management Agency.

1 (2) ESSENTIAL WORKER DEFINED.—In para-
2 graph (1), the term “essential worker” means—

3 (A) a health sector employee;

4 (B) an emergency response worker;

5 (C) a child care worker;

6 (D) a sanitation worker;

7 (E) a worker at a business which a State
8 or local government official has determined
9 must remain open to serve the public during the
10 emergency referred to in paragraph (1)(B); and

11 (F) any other worker who cannot telework,
12 and whom the State deems to be essential dur-
13 ing the emergency referred to in paragraph
14 (1)(B).

15 **SEC. 410. INFRASTRUCTURE GRANTS TO IMPROVE CHILD**
16 **CARE SAFETY.**

17 (a) IN GENERAL.—Part A of title IV of the Social
18 Security Act (42 U.S.C. 601 et seq.) is amended by insert-
19 ing after section 418 the following:

20 **“SEC. 418A. INFRASTRUCTURE GRANTS TO IMPROVE CHILD**
21 **CARE SAFETY.**

22 “(a) SHORT TITLE.—This section may be cited as the
23 ‘Infrastructure Grants To Improve Child Care Safety Act
24 of 2020’.

25 “(b) NEEDS ASSESSMENTS.—

1 “(1) IMMEDIATE NEEDS ASSESSMENT.—

2 “(A) IN GENERAL.—The Secretary shall
3 conduct an immediate needs assessment of the
4 condition of child care facilities throughout the
5 United States (with priority given to child care
6 facilities that receive Federal funds), that—

7 “(i) determines the extent to which
8 the COVID–19 pandemic has created im-
9 mediate infrastructure needs, including in-
10 frastructure-related health and safety
11 needs, which must be addressed for child
12 care facilities to operate in compliance with
13 public health guidelines;

14 “(ii) considers the effects of the pan-
15 demic on a variety of child care centers, in-
16 cluding home-based centers; and

17 “(iii) considers how the pandemic has
18 impacted specific metrics, such as—

19 “(I) capacity;

20 “(II) investments in infrastruc-
21 ture changes;

22 “(III) the types of infrastructure
23 changes centers need to implement
24 and their associated costs;

25 “(IV) the price of tuition; and

1 “(V) any changes or anticipated
2 changes in the number and demo-
3 graphic of children attending.

4 “(B) TIMING.—The immediate needs as-
5 sessment should occur simultaneously with the
6 first grant-making cycle under subsection (c).

7 “(C) REPORT.—Not later than 1 year
8 after the date of the enactment of this section,
9 the Secretary shall submit to the Congress a re-
10 port containing the result of the needs assess-
11 ment conducted under subparagraph (A), and
12 make the assessment publicly available.

13 “(2) LONG-TERM NEEDS ASSESSMENT.—

14 “(A) IN GENERAL.—The Secretary shall
15 conduct a long-term assessment of the condition
16 of child care facilities throughout the United
17 States (with priority given to child care facili-
18 ties that receive Federal funds). The assess-
19 ment may be conducted through representative
20 random sampling.

21 “(B) REPORT.—Not later than 4 years
22 after the date of the enactment of this section,
23 the Secretary shall submit to the Congress a re-
24 port containing the results of the needs assess-

1 ment conducted under subparagraph (A), and
2 make the assessment publicly available.

3 “(c) CHILD CARE FACILITIES GRANTS.—

4 “(1) GRANTS TO STATES.—

5 “(A) IN GENERAL.—The Secretary may
6 award grants to States for the purpose of ac-
7 quiring, constructing, renovating, or improving
8 child care facilities, including adapting, re-
9 configuring, or expanding facilities to respond
10 to the COVID–19 pandemic.

11 “(B) PRIORITIZED FACILITIES.—The Sec-
12 retary may not award a grant to a State under
13 subparagraph (A) unless the State involved
14 agrees, with respect to the use of grant funds,
15 to prioritize—

16 “(i) child care facilities primarily serv-
17 ing low-income populations;

18 “(ii) child care facilities primarily
19 serving children who have not attained the
20 age of 5 years;

21 “(iii) child care facilities that closed
22 during the COVID–19 pandemic and are
23 unable to open without making modifica-
24 tions to the facility that would otherwise be

1 required to ensure the health and safety of
2 children and staff; and

3 “(iv) child care facilities that serve the
4 children of parents classified as essential
5 workers during the COVID–19 pandemic.

6 “(C) DURATION OF GRANTS.—A grant
7 under this subsection shall be awarded for a pe-
8 riod of not more than 5 years.

9 “(D) APPLICATION.—To seek a grant
10 under this subsection, a State shall submit to
11 the Secretary an application at such time, in
12 such manner, and containing such information
13 as the Secretary may require, which informa-
14 tion shall—

15 “(i) be disaggregated as the Secretary
16 may require; and

17 “(ii) include a plan to use a portion of
18 the grant funds to report back to the Sec-
19 retary on the impact of using the grant
20 funds to improve child care facilities.

21 “(E) PRIORITY.—In selecting States for
22 grants under this subsection, the Secretary
23 shall prioritize States that—

24 “(i) plan to improve center-based and
25 home-based child care programs, which

1 may include a combination of child care
2 and early Head Start or Head Start pro-
3 grams;

4 “(ii) aim to meet specific needs across
5 urban, suburban, or rural areas as deter-
6 mined by the State; and

7 “(iii) show evidence of collaboration
8 with—

9 “(I) local government officials;

10 “(II) other State agencies;

11 “(III) nongovernmental organiza-
12 tions, such as—

13 “(aa) organizations within
14 the philanthropic community;

15 “(bb) certified community
16 development financial institutions
17 as defined in section 103 of the
18 Community Development Bank-
19 ing and Financial Institutions
20 Act of 1994 (12 U.S.C. 4702)
21 that have been certified by the
22 Community Development Finan-
23 cial Institutions Fund (12 U.S.C.
24 4703); and

1 “(cc) organizations that
2 have demonstrated experience
3 in—

4 “(AA) providing tech-
5 nical or financial assistance
6 for the acquisition, construc-
7 tion, renovation, or improve-
8 ment of child care facilities;

9 “(BB) providing tech-
10 nical, financial, or manage-
11 rial assistance to child care
12 providers; and

13 “(CC) securing private
14 sources of capital financing
15 for child care facilities or
16 other low-income community
17 development projects; and

18 “(IV) local community organiza-
19 tions, such as—

20 “(aa) child care providers;

21 “(bb) community care agen-
22 cies;

23 “(cc) resource and referral
24 agencies; and

25 “(dd) unions.

1 “(F) CONSIDERATION.—In selecting States
2 for grants under this subsection, the Secretary
3 shall consider—

4 “(i) whether the applicant—

5 “(I) has or is developing a plan
6 to address child care facility needs;
7 and

8 “(II) demonstrates the capacity
9 to execute such a plan; and

10 “(ii) after the date the report required
11 by subsection (b)(1)(C) is submitted to the
12 Congress, the needs of the applicants
13 based on the results of the assessment.

14 “(G) DIVERSITY OF AWARDS.—In award-
15 ing grants under this section, the Secretary
16 shall give equal consideration to States with
17 varying capacities under subparagraph (F).

18 “(H) MATCHING REQUIREMENT.—

19 “(i) IN GENERAL.—As a condition for
20 the receipt of a grant under subparagraph
21 (A), a State that is not an Indian tribe
22 shall agree to make available (directly or
23 through donations from public or private
24 entities) contributions with respect to the
25 cost of the activities to be carried out pur-

1 suant to subparagraph (A), which may be
2 provided in cash or in kind, in an amount
3 equal to 10 percent of the funds provided
4 through the grant.

5 “(ii) DETERMINATION OF AMOUNT
6 CONTRIBUTED.—Contributions required by
7 clause (i) may include—

8 “(I) amounts provided by the
9 Federal Government, or services as-
10 sisted or subsidized to any significant
11 extent by the Federal Government; or

12 “(II) philanthropic or private-sec-
13 tor funds.

14 “(I) REPORT.—Not later than 6 months
15 after the last day of the grant period, a State
16 receiving a grant under this paragraph shall
17 submit a report to the Secretary as described in
18 subparagraph (D)—

19 “(i) to determine the effects of the
20 grant in constructing, renovating, or im-
21 proving child care facilities, including any
22 changes in response to the COVID-19
23 pandemic and any effects on access to and
24 quality of child care; and

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

3 “(J) AMOUNT LIMIT.—The annual amount
4 of a grant under this paragraph may not exceed
5 \$35,000,000.

6 “(2) GRANTS TO INTERMEDIARY ORGANIZA-
7 TIONS.—

8 “(A) IN GENERAL.—The Secretary may
9 award grants to intermediary organizations,
10 such as certified community development finan-
11 cial institutions, tribal organizations, or other
12 organizations with demonstrated experience in
13 child care facilities financing, for the purpose of
14 providing technical assistance, capacity build-
15 ing, and financial products to develop or finance
16 child care facilities.

17 “(B) APPLICATION.—A grant under this
18 paragraph may be made only to intermediary
19 organizations that submit to the Secretary an
20 application at such time, in such manner, and
21 containing such information as the Secretary
22 may require.

23 “(C) PRIORITY.—In selecting intermediary
24 organizations for grants under this subsection,

1 the Secretary shall prioritize intermediary orga-
2 nizations that—

3 “(i) demonstrate experience in child
4 care facility financing or related commu-
5 nity facility financing;

6 “(ii) demonstrate the capacity to as-
7 sist States and local governments in devel-
8 oping child care facilities and programs;

9 “(iii) demonstrate the ability to lever-
10 age grant funding to support financing
11 tools to build the capacity of child care
12 providers, such as through credit enhance-
13 ments;

14 “(iv) propose to meet a diversity of
15 needs across States and across urban, sub-
16 urban, and rural areas at varying types of
17 center-based, home-based, and other child
18 care settings, including early care pro-
19 grams located in freestanding buildings or
20 in mixed-use properties; and

21 “(v) propose to focus on child care fa-
22 cilities primarily serving low-income popu-
23 lations and children who have not attained
24 the age of 5 years.

1 “(D) AMOUNT LIMIT.—The amount of a
2 grant under this paragraph may not exceed
3 \$10,000,000.

4 “(3) REPORT.—Not later than the end of fiscal
5 year 2024, the Secretary shall submit to the Con-
6 gress a report on the effects of the grants provided
7 under this subsection, and make the report pub-
8 lically accessible.

9 “(d) LIMITATIONS ON AUTHORIZATION OF APPRO-
10 PRIATIONS.—

11 “(1) IN GENERAL.—To carry out this section,
12 there is authorized to be appropriated
13 \$10,000,000,000 for fiscal year 2020, which shall
14 remain available through fiscal year 2024.

15 “(2) RESERVATIONS OF FUNDS.—

16 “(A) INDIAN TRIBES.—The Secretary shall
17 reserve 3 percent of the total amount made
18 available to carry out this section, for payments
19 to Indian tribes.

20 “(B) TERRITORIES.—The Secretary shall
21 reserve 3 percent of the total amount made
22 available to carry out this section, for payments
23 to territories.

24 “(3) GRANTS FOR INTERMEDIARY ORGANIZA-
25 TIONS.—Not less than 10 percent and not more

1 than 15 percent of the total amount made available
 2 to carry out this section may be used to carry out
 3 subsection (c)(2).

4 “(4) LIMITATION ON USE OF FUNDS FOR
 5 NEEDS ASSESSMENTS.—Not more than \$5,000,000
 6 of the amounts made available to carry out this sec-
 7 tion may be used to carry out subsection (b).

8 “(e) DEFINITION OF STATE.—In this section, the
 9 term ‘State’ has the meaning provided in section 419, ex-
 10 cept that it includes the Commonwealth of the Northern
 11 Mariana Islands and any Indian tribe.”.

12 (b) EXEMPTION OF TERRITORY GRANTS FROM LIMI-
 13 TATION ON TOTAL PAYMENTS TO THE TERRITORIES.—
 14 Section 1108(a)(2) of such Act (42 U.S.C. 1308(a)(2))
 15 is amended by inserting “418A(c),” after “413(f),”.

Passed the House of Representatives July 29, 2020.

Attest:

Clerk.

116TH CONGRESS
2^D SESSION

H. R. 7327

AN ACT

Making additional supplemental appropriations for disaster relief requirements for the fiscal year ending September 30, 2020, and for other purposes.