

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.

1 (d) PLAN AMENDMENTS.—A plan or other arrange-  
2 ment that otherwise satisfies all applicable requirements  
3 of sections 106, 125, and 129 of the Internal Revenue  
4 Code of 1986 (including any rules or regulations there-  
5 under) shall not fail to be treated as a cafeteria plan or  
6 dependent care flexible spending arrangement merely be-  
7 cause such plan or arrangement is amended pursuant to  
8 a provision under this section and such amendment is ret-  
9 roactive, if—

10 (1) such amendment is adopted no later than  
11 the last day of the plan year in which the amend-  
12 ment is effective, and

13 (2) the plan or arrangement is operated con-  
14 sistent with the terms of such amendment during  
15 the period beginning on the effective date of the  
16 amendment and ending on the date the amendment  
17 is adopted.

18 **SEC. 407. EMPLOYEE RETENTION CREDIT ALLOWED WITH**  
19 **RESPECT TO EMPLOYMENT OF DOMESTIC**  
20 **WORKERS.**

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

24 “(D) EMPLOYERS OF DOMESTIC WORK-  
25 ERS.—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 employer, with respect to such employees—

“(i) subparagraph (A) shall be applied—

“(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 employment’ 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 LIM-  
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.*

116<sup>TH</sup> CONGRESS  
2<sup>D</sup> 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.