

116TH CONGRESS  
2D SESSION

# H. R. 7327

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

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 25, 2020

Mrs. LOWEY (for herself, Mr. NEAL, Ms. DELAURO, Ms. CLARK of Massachusetts, Mr. DANNY K. DAVIS of Illinois, and Ms. SÁNCHEZ) introduced the following bill; which was referred to the Committee on Appropriations, and in addition to the Committees on the Budget, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

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

1 **SEC. 2. REFERENCES.**

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

6 **DIVISION A—EMERGENCY CHILD CARE**  
7 **SUPPORT APPROPRIATIONS**

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

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

13 **INTERNAL REVENUE SERVICES**

14 **TAXPAYER SERVICES**

15 For an additional amount for “Taxpayer Services”,  
16 \$5,000,000, to remain available until expended, for mak-  
17 ing grants under the Community Volunteer Income Tax  
18 Assistance Matching Grants Program established under  
19 section 7526A of the Internal Revenue Code of 1986: *Pro-*  
20 *vided*, That the matching funds requirement in section  
21 7526A(b)(2) shall not apply to funds made available under  
22 this heading in this Act: *Provided further*, That such  
23 amount is designated by the Congress as being for an  
24 emergency requirement pursuant to section  
25 251(b)(2)(A)(i) of the Balanced Budget and Emergency  
26 Deficit Control Act of 1985.

1 TITLE II—DEPARTMENT OF HEALTH AND  
2 HUMAN SERVICES  
3 ADMINISTRATION FOR CHILDREN AND FAMILIES  
4 SOCIAL SERVICES BLOCK GRANT

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

16 CHILD CARE AND DEVELOPMENT FUND

17 For an additional amount for “Child Care and Devel-  
18 opment Fund”, \$10,000,000,000, to remain available  
19 until September 30, 2024, for necessary expenses for in-  
20 frastructure grants to improve child care safety, including  
21 needs assessments, pursuant to section 418A of Part A  
22 of title IV of the Social Security Act, as added by division  
23 B of this Act: *Provided*, That funds made available under  
24 this heading in this Act may be used for grants for the  
25 construction, alteration, or renovation of non-federally

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

11 TITLE III—GENERAL PROVISIONS—THIS

12 DIVISION

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

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

19 SEC. 303. Unless otherwise provided for by this Act,  
20 the additional amounts appropriated by this Act to appro-  
21 priations accounts shall be available under the authorities  
22 and conditions applicable to such appropriations accounts  
23 for fiscal year 2020.

24 SEC. 304. Each amount designated in this Act by the  
25 Congress as being for an emergency requirement pursuant

1 to section 251(b)(2)(A)(i) of the Balanced Budget and  
2 Emergency Deficit Control Act of 1985 shall be available  
3 (or rescinded or transferred, if applicable) only if the  
4 President subsequently so designates all such amounts  
5 and transmits such designations to the Congress.

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

13                                   BUDGETARY EFFECTS

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

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

22       (c) CLASSIFICATION OF BUDGETARY EFFECTS.—  
23 Notwithstanding Rule 3 of the Budget Scorekeeping  
24 Guidelines set forth in the joint explanatory statement of  
25 the committee of conference accompanying Conference Re-  
26 port 105–217 and section 250(c)(8) of the Balanced

1 Budget and Emergency Deficit Control Act of 1985, the  
2 budgetary effects of division B shall not be estimated—

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

4 (2) for purposes of paragraph (4)(C) of section  
5 3 of the Statutory Pay-As-You-Go Act of 2010 as  
6 being included in an appropriation Act.

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

9 **DIVISION B—WORKER ACCESS**  
10 **TO CHILD AND FAMILY CARE**

11 **SEC. 401. SHORT TITLE.**

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

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

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

19 “(g) TREATMENT OF CREDIT AS REFUNDABLE.—In  
20 the case of an individual other than a nonresident alien,  
21 the credit allowed under subsection (a) shall be treated  
22 as a credit allowed under subpart C (and not allowed  
23 under this subpart).”.

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

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

3           (2) by striking “\$15,000” and inserting  
4           “\$120,000”.

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

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

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

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

15                 “(11) INFLATION ADJUSTMENT.—In the case of  
16                 any taxable year beginning after December 31,  
17                 2020, the \$120,000 amount in subsection (a)(2) and  
18                 the \$6,000 amount in subsection (c)(1) shall each be  
19                 increased by an amount equal to—

20                         “(A) such dollar amount, multiplied by

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

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

4 (e) CONFORMING AMENDMENT.—Section 1324(b)(2)  
5 of title 31, United States Code, is amended by inserting  
6 “21 (by reason of subsection (g) thereof),” before “25A”.

7 (f) COORDINATION WITH POSSESSION TAX SYS-  
8 TEMS.—Section 21(g)(1) of the Internal Revenue Code of  
9 1986 (as added by this section) shall not apply to any per-  
10 son—

11 (1) to whom a credit is allowed against taxes  
12 imposed by a possession with a mirror code tax sys-  
13 tem by reason of the application of section 21 of  
14 such Code in such possession for such taxable year,  
15 or

16 (2) to whom a credit would be allowed against  
17 taxes imposed by a possession which does not have  
18 a mirror code tax system if the provisions of section  
19 21 of such Code had been in effect in such posses-  
20 sion for such taxable year.

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

1 **SEC. 403. INCREASE IN EXCLUSION FOR EMPLOYER-PRO-**  
2 **VIDED DEPENDENT CARE ASSISTANCE.**

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

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

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

15 “(i) such dollar amount, multiplied by

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

21 Any increase determined under the preceding  
22 sentence which is not a multiple of \$50, shall  
23 be rounded to the next highest multiple of  
24 \$50.”.

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

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

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

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

21 **SEC. 404. PAYROLL CREDIT FOR CERTAIN FIXED EXPENSES**  
22 **OF CHILD CARE FACILITIES SUBJECT TO**  
23 **CLOSURE BY REASON OF COVID-19.**

24 (a) IN GENERAL.—In the case of an eligible em-  
25 ployer, there shall be allowed as a credit against applicable

1 employment taxes for each calendar quarter an amount  
2 equal to 50 percent of the qualified fixed expenses paid  
3 or incurred by such employer during such calendar quar-  
4 ter.

5 (b) LIMITATIONS AND REFUNDABILITY.—

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

12 (A) the qualified fixed expenses paid by the  
13 eligible employer in the same calendar quarter  
14 of calendar year 2019,

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

16 (C) the greater of—

17 (i) 25 percent of the wages paid with  
18 respect to the employment of all the em-  
19 ployees of the eligible employer for such  
20 calendar quarter, or

21 (ii) 6.25 percent of the gross receipts  
22 of the eligible employer for calendar year  
23 2019.

24 (2) PER FACILITY QUARTERLY DOLLAR LIMITA-  
25 TION.—The qualified fixed expenses which may be

1 taken into account under subsection (a) by any eligi-  
2 ble employer for any calendar quarter with respect  
3 to any facility of such employer shall not exceed  
4 \$50,000.

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

16 (4) REFUNDABILITY OF EXCESS CREDIT.—

17 (A) IN GENERAL.—If the amount of the  
18 credit under subsection (a) exceeds the limita-  
19 tion of paragraph (3) for any calendar quarter,  
20 such excess shall be treated as an overpayment  
21 that shall be refunded under sections 6402(a)  
22 and 6413(b) of the Internal Revenue Code of  
23 1986.

24 (B) TREATMENT OF PAYMENTS.—For pur-  
25 poses of section 1324 of title 31, United States

1 Code, any amounts due to an employer under  
2 this paragraph shall be treated in the same  
3 manner as a refund due from a credit provision  
4 referred to in subsection (b)(2) of such section.

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

6 (1) APPLICABLE EMPLOYMENT TAXES.—The  
7 term “applicable employment taxes” means the fol-  
8 lowing:

9 (A) The taxes imposed under section  
10 3111(a) of the Internal Revenue Code of 1986.

11 (B) So much of the taxes imposed under  
12 section 3221(a) of such Code as are attrib-  
13 utable to the rate in effect under section  
14 3111(a) of such Code.

15 (2) ELIGIBLE EMPLOYER.—

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

18 (i) which was carrying on a trade or  
19 business engaged in the provision of child  
20 care assistance at a qualified child care fa-  
21 cility (within the meaning of section  
22 45F(c)(2)(A) of such Code without regard  
23 to the last sentence thereof) at any time  
24 during calendar year 2020, and

1 (ii) with respect to any calendar quar-  
2 ter, for which—

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

13 (II) such calendar quarter is  
14 within the period described in sub-  
15 paragraph (B).

16 (B) SIGNIFICANT DECLINE IN GROSS RE-  
17 CEIPTS.—The period described in this subpara-  
18 graph is the period—

19 (i) beginning with the first calendar  
20 quarter beginning after December 31,  
21 2019, for which gross receipts (within the  
22 meaning of section 448(c) of the Internal  
23 Revenue Code of 1986) for the calendar  
24 quarter are less than 90 percent of gross

1 receipts for the same calendar quarter in  
2 the prior year, and

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

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

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

21 (ii) any reference in this section to  
22 gross receipts shall be treated as a ref-  
23 erence to gross receipts within the meaning  
24 of section 6033 of the Internal Revenue  
25 Code of 1986.

1 (D) PHASE-IN OF CREDIT WHERE BUSI-  
2 NESS NOT SUSPENDED AND REDUCTION IN  
3 GROSS RECEIPTS LESS THAN 50 PERCENT.—

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

14 (I) the excess gross receipts per-  
15 centage point amount, bears to

16 (II) 40 percentage points.

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

23 (I) the lowest of the gross re-  
24 ceipts percentage point amounts de-  
25 termined with respect to any calendar

1 quarter during the period ending with  
2 such calendar quarter and beginning  
3 with the first calendar quarter during  
4 the period described in subparagraph  
5 (B), over

6 (II) 50 percentage points.

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

14 (I) the gross receipts (within the  
15 meaning of subparagraph (B)) for  
16 such calendar quarter, by

17 (II) the gross receipts for the  
18 same calendar quarter in calendar  
19 year 2019.

20 (3) QUALIFIED FIXED EXPENSES.—

21 (A) IN GENERAL.—The term “qualified  
22 fixed expenses” means the payment or accrual,  
23 in the ordinary course of the eligible employer’s  
24 trade or business, of any covered mortgage obli-  
25 gation, covered rent obligation, or covered util-

1           ity payment. Such term shall not include the  
2           prepayment of any obligation for a period in ex-  
3           cess of a month unless the payment for such  
4           period is customarily due in advance. Such term  
5           shall not include any payment or accrual of any  
6           obligation or payment which is with respect to  
7           property which is not located in the United  
8           States or any possession of the United States.

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

14          (4) SECRETARY.—The term “Secretary” means  
15          the Secretary of the Treasury or the Secretary’s del-  
16          egate.

17          (5) WAGES.—

18          (A) IN GENERAL.—The term “wages”  
19          means wages (as defined in section 3121(a) of  
20          the Internal Revenue Code of 1986) and com-  
21          pensation (as defined in section 3231(e) of such  
22          Code). For purposes of the preceding sentence  
23          (other than for purposes of subsection (b)(2)),  
24          wages as defined in section 3121(a) of such  
25          Code shall be determined without regard to

1 paragraphs (1), (8), (10), (13), (18), (19), and  
2 (22) of section 3121(b) of such Code.

3 (B) ALLOWANCE FOR CERTAIN HEALTH  
4 PLAN EXPENSES.—

5 (i) IN GENERAL.—Such term shall in-  
6 clude amounts paid or incurred by the eli-  
7 gible employer to provide and maintain a  
8 group health plan (as defined in section  
9 5000(b)(1) of the Internal Revenue Code  
10 of 1986), but only to the extent that such  
11 amounts are excluded from the gross in-  
12 come of employees by reason of section  
13 106(a) of such Code.

14 (ii) ALLOCATION RULES.—For pur-  
15 poses of this section, amounts treated as  
16 wages under clause (i) shall be treated as  
17 paid with respect to any employee (and  
18 with respect to any period) to the extent  
19 that such amounts are properly allocable to  
20 such employee (and to such period) in such  
21 manner as the Secretary may prescribe.  
22 Except as otherwise provided by the Sec-  
23 retary, such allocation shall be treated as  
24 properly made if made on the basis of  
25 being pro rata among periods of coverage.

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

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

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

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

21          (f) CERTAIN GOVERNMENTAL EMPLOYERS.—

22                  (1) IN GENERAL.—The credit under this section  
23          shall not be allowed to the Federal Government, the  
24          government of any State, of the District of Colum-  
25          bia, or of any possession of the United States, any

1 tribal government, or any political subdivision, agen-  
2 cy, or instrumentality of any of the foregoing.

3 (2) EXCEPTION.—Paragraph (1) shall not  
4 apply to any organization described in section  
5 501(c)(1) of the Internal Revenue Code of 1986 and  
6 exempt from tax under section 501(a) of such Code.

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

12 (h) TRANSFERS TO CERTAIN TRUST FUNDS.—There  
13 are hereby appropriated to the Federal Old-Age and Sur-  
14 vivors Insurance Trust Fund and the Federal Disability  
15 Insurance Trust Fund established under section 201 of  
16 the Social Security Act (42 U.S.C. 401) and the Social  
17 Security Equivalent Benefit Account established under  
18 section 15A(a) of the Railroad Retirement Act of 1974  
19 (45 U.S.C. 231n–1(a)) amounts equal to the reduction in  
20 revenues to the Treasury by reason of this section (without  
21 regard to this subsection). Amounts appropriated by the  
22 preceding sentence shall be transferred from the general  
23 fund at such times and in such manner as to replicate  
24 to the extent possible the transfers which would have oc-

1 curred to such Trust Fund or Account had this section  
2 not been enacted.

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

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

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

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

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

22 (3) with respect to the application of the credit  
23 under subsection (a) to third-party payors (including  
24 professional employer organizations, certified profes-  
25 sional employer organizations, or agents under sec-

1       tion 3504 of the Internal Revenue Code of 1986),  
2       including regulations or guidance allowing such  
3       payors to submit documentation necessary to sub-  
4       stantiate the eligible employer status of employers  
5       that use such payors,

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

11          (5) 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).

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

19      **SEC. 405. PAYROLL CREDIT FOR CERTAIN EMPLOYEE DE-**  
20                            **PENDENT CARE EXPENSES PAID BY EMPLOY-**  
21                            **ERS.**

22      (a) IN GENERAL.—In the case of an employer, there  
23      shall be allowed as a credit against applicable employment  
24      taxes for each calendar quarter an amount equal to 30  
25      percent of the qualified employee dependent care expenses

1 paid by such employer with respect to such calendar quar-  
2 ter.

3 (b) LIMITATIONS AND REFUNDABILITY.—

4 (1) DOLLAR LIMITATION PER EMPLOYEE.—The  
5 qualified employee dependent care expenses which  
6 may be taken into account under subsection (a) with  
7 respect to any employee for any calendar quarter  
8 shall not exceed \$2,500.

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

21 (3) 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 (2) 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                   (4) COORDINATION WITH GOVERNMENT  
11           GRANTS.—The qualified employee dependent care  
12           expenses taken into account under this section by  
13           any employer shall be reduced by any amounts pro-  
14           vided by any Federal, State, or local government for  
15           purposes of making or reimbursing such expenses.

16                   (c) QUALIFIED EMPLOYEE DEPENDENT CARE EX-  
17           PENSES.—For purposes of this section, the term “quali-  
18           fied employee dependent care expenses” means any  
19           amount paid to or for the benefit of an employee in the  
20           employment of the employer if—

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

24                   (2) the employer elects (at such time and in  
25           such manner as the Secretary may provide) to treat

1 such amount as a qualified employee dependent care  
2 expense.

3 (d) SPECIAL RULES; OTHER DEFINITIONS.—

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

13 (2) DENIAL OF DOUBLE BENEFIT.—For pur-  
14 poses of chapter 1 of such Code, no deduction or  
15 credit (other than the credit allowed under this sec-  
16 tion) shall be allowed for so much of qualified em-  
17 ployee dependent care expenses as is equal to the  
18 credit allowed under this section.

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

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

1           (A) The taxes imposed under section  
2           3111(a) of the Internal Revenue Code of 1986.

3           (B) So much of the taxes imposed under  
4           section 3221(a) of such Code as are attrib-  
5           utable to the rate in effect under section  
6           3111(a) of such Code.

7           (5) SECRETARY.—For purposes of this section,  
8           the term “Secretary” means the Secretary of the  
9           Treasury or the Secretary’s delegate.

10          (6) CERTAIN TERMS.—

11           (A) IN GENERAL.—Any term used in this  
12           section which is also used in chapter 21 or 22  
13           of such Code shall have the same meaning as  
14           when used in such chapter (as the case may  
15           be).

16           (B) CERTAIN PROVISIONS NOT TAKEN  
17           INTO ACCOUNT EXCEPT FOR PURPOSES OF LIM-  
18           ITING CREDIT TO EMPLOYMENT TAXES.—For  
19           purposes of subparagraph (A) (other than with  
20           respect to subsection (b)(2)), section 3121(b) of  
21           such Code shall be applied without regard to  
22           paragraphs (1), (5), (6), (7), (8), (10), (13),  
23           (18), (19), and (22) thereof (except with re-  
24           spect to services performed in a penal institu-  
25           tion by an inmate thereof) and section

1           3231(e)(1) shall be applied without regard to  
2           the sentence that begins “Such term does not  
3           include remuneration”.

4           (e) CERTAIN GOVERNMENTAL EMPLOYERS.—

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

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

12          (f) TREATMENT OF DEPOSITS.—The Secretary shall  
13          waive any penalty under section 6656 of such Code for  
14          any failure to make a deposit of applicable employment  
15          taxes if the Secretary determines that such failure was due  
16          to the anticipation of the credit allowed under this section.

17          (g) REGULATIONS.—The Secretary shall prescribe  
18          such regulations or other guidance as may be necessary  
19          to carry out the purposes of this section, including regula-  
20          tions or other guidance—

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

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

5           (3) for recapturing the benefit of credits deter-  
6           mined under this section in cases where there is a  
7           subsequent adjustment to the credit determined  
8           under subsection (a), and

9           (4) with respect to the application of the credit  
10          to third party payors (including professional em-  
11          ployer organizations, certified professional employer  
12          organizations, or agents under section 3504 of such  
13          Code), including to allow such payors to submit doc-  
14          umentation necessary to substantiate eligibility for,  
15          and the amount of, the credit allowed under this sec-  
16          tion.

17          (h) APPLICATION OF SECTION.—This section shall  
18          apply only to qualified employee dependent care expenses  
19          paid in calendar quarters beginning on or after the date  
20          of the enactment of this Act and before January 1, 2021.

21          (i) TRANSFERS TO CERTAIN TRUST FUNDS.—There  
22          are hereby appropriated to the Federal Old-Age and Sur-  
23          vivors Insurance Trust Fund and the Federal Disability  
24          Insurance Trust Fund established under section 201 of  
25          the Social Security Act (42 U.S.C. 401) and the Social

1 Security Equivalent Benefit Account established under  
2 section 15A(a) of the Railroad Retirement Act of 1974  
3 (45 U.S.C. 231n-1(a)) amounts equal to the reduction in  
4 revenues to the Treasury by reason of this section (without  
5 regard to this subsection). Amounts appropriated by the  
6 preceding sentence shall be transferred from the general  
7 fund at such times and in such manner as to replicate  
8 to the extent possible the transfers which would have oc-  
9 curred to such Trust Fund or Account had this section  
10 not been enacted.

11 **SEC. 406. FLEXIBILITY FOR DEPENDENT CARE FLEXIBLE**  
12 **SPENDING ARRANGEMENTS.**

13 (a) CARRYOVER OF UNUSED BENEFITS.—A plan or  
14 other arrangement that otherwise satisfies all applicable  
15 requirements of sections 106, 125, and 129 of the Internal  
16 Revenue Code of 1986 (including any rules or regulations  
17 thereunder) shall not fail to be treated as a cafeteria plan  
18 or dependent care flexible spending arrangement merely  
19 because such plan or arrangement permits participants to  
20 carry over (under rules similar to the rules applicable to  
21 health flexible spending arrangements) an amount, not in  
22 excess of the amount in effect under section 129(a)(2)(A)  
23 of such Code, of unused benefits or contributions remain-  
24 ing in a dependent care flexible spending arrangement

1 from the plan year ending in 2020 to the plan year ending  
2 in 2021.

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

14 (c) DEFINITIONS.—Any term used in this section  
15 which is also used in section 106, 125, or 129 of the Inter-  
16 nal Revenue Code of 1986 or the rules or regulations  
17 thereunder shall have the same meaning as when used in  
18 such section or rules or regulations.

19 (d) PLAN AMENDMENTS.—A plan or other arrange-  
20 ment that otherwise satisfies all applicable requirements  
21 of sections 106, 125, and 129 of the Internal Revenue  
22 Code of 1986 (including any rules or regulations there-  
23 under) shall not fail to be treated as a cafeteria plan or  
24 dependent care flexible spending arrangement merely be-  
25 cause such plan or arrangement is amended pursuant to

1 a provision under this section and such amendment is ret-  
2 roactive, if—

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

6 (2) the plan or arrangement is operated con-  
7 sistent with the terms of such amendment during  
8 the period beginning on the effective date of the  
9 amendment and ending on the date the amendment  
10 is adopted.

11 **SEC. 407. EMPLOYEE RETENTION CREDIT ALLOWED WITH**  
12 **RESPECT TO EMPLOYMENT OF DOMESTIC**  
13 **WORKERS.**

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

17 “(D) EMPLOYERS OF DOMESTIC WORK-  
18 ERS.—In the case of an employer with one or  
19 more employees who perform domestic service  
20 (within the meaning of section 3121(a)(7) of  
21 such Code) in the private home of such em-  
22 ployer, with respect to such employees—

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

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

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

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

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

14           (b) DENIAL OF DOUBLE BENEFIT.—Section  
15 2301(h)(2) of the CARES Act is amended—

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

19           “(A) for purposes of”,

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

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

23           “(B) if such wages are paid for domestic  
24           service described in subsection (c)(2)(E), as em-

1           employment-related expenses for purposes of sec-  
2           tion 21 of such Code.

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

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

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

13          (a) IN GENERAL.—Section 418(a)(3) of the Social  
14          Security Act (42 U.S.C. 618(a)(3)) is amended by striking  
15          “\$2,917,000,000 for each of fiscal years 2017 and 2018”  
16          and inserting “\$10,000,000,000 for each of fiscal years  
17          2020 through 2024”.

18          (b) ADDITIONAL FUNDS NOT SUBJECT TO STATE  
19          MATCH REQUIREMENT.—With respect to the amounts ap-  
20          propriated in section 418(a)(3) of the Social Security Act  
21          in excess of \$2,917,000,000 for each of fiscal years 2020  
22          and 2021, section 418(a)(2)(C) of such Act shall be ap-  
23          plied and administered with respect to any State that is  
24          entitled to receive the entire amount that would be allotted  
25          to the State under section 418(a)(2)(B) of such Act for

1 the fiscal year in the absence of this section, as if the Fed-  
2 eral medical assistance percentage for the State for the  
3 fiscal year were 100 percent.

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

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

12 (b) RULES GOVERNING USE OF ADDITIONAL  
13 FUNDS.—

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

16 (A) the funds are used for—

17 (i) child care services for a child of an  
18 essential worker; or

19 (ii) daytime care services or other  
20 adult protective services for an individual  
21 who—

22 (I) is a dependent, or a member  
23 of the household of, an essential work-  
24 er; and

25 (II) requires the services;

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

14          (C) eligibility for the funds or services, and  
15          the amount of funds or services provided, is not  
16          conditioned on a means test;

17          (D) the funds are used in consultation with  
18          the lead agency designated pursuant to section  
19          658D(a) of the Child Care and Development  
20          Block Grant Act of 1990 by the State involved  
21          and subject to the limitations in section 2005 of  
22          the Social Security Act, except that, for pur-  
23          poses of this subparagraph—

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

4 (ii)(I) the limitation in section  
5 2005(a)(7) of such Act shall not apply  
6 with respect to any standard which the  
7 State involved determines would impede  
8 the ability of the State to provide emer-  
9 gency temporary care to a child, depend-  
10 ent, or household member referred to in  
11 subparagraph (A) of this paragraph if the  
12 emergency temporary care would not en-  
13 danger the health, safety, or development  
14 of children who received the care and care  
15 would otherwise not be available to support  
16 the immediate, short-term family care  
17 needs of essential workers; and

18 (II) if the State determines that such  
19 a standard would be so impeding, the  
20 State shall report the determination to the  
21 Secretary, including a description of how  
22 exempting standards that may impede the  
23 ability of the State to provide emergency  
24 temporary care did not endanger the  
25 health, safety, or development of children

1           who received emergency temporary care,  
2           separately from the annual report to the  
3           Secretary by the State;

4           (E) the funds are used to supplement, not  
5           supplant, State general revenue funds for child  
6           care assistance; and

7           (F) the funds are not used for child care  
8           costs that are—

9                   (i) covered by funds provided under  
10           the Head Start Act, a preschool develop-  
11           ment grant under section 9121 of the  
12           Every Student Succeeds Act (42 U.S.C.  
13           9831 note), the Child Care and Develop-  
14           ment Block Grant Act of 1990, section  
15           418 of the Social Security Act, or another  
16           federally funded dependent care program;  
17           or

18                   (ii) reimbursable by the Federal  
19           Emergency Management Agency.

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

22                   (A) a health sector employee;

23                   (B) an emergency response worker;

24                   (C) a child care worker;

25                   (D) a sanitation worker;

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

5           (F) any other worker who cannot telework,  
6           and whom the State deems to be essential dur-  
7           ing the emergency referred to in paragraph  
8           (1)(B).

9   **SEC. 410. INFRASTRUCTURE GRANTS TO IMPROVE CHILD**  
10           **CARE SAFETY.**

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

14   **“SEC. 418A. INFRASTRUCTURE GRANTS TO IMPROVE CHILD**  
15           **CARE SAFETY.**

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

19           “(b) NEEDS ASSESSMENTS.—

20                   “(1) IMMEDIATE NEEDS ASSESSMENT.—

21                           “(A) IN GENERAL.—The Secretary shall  
22                           conduct an immediate needs assessment of the  
23                           condition of child care facilities throughout the  
24                           United States (with priority given to child care  
25                           facilities that receive Federal funds), that—

1 “(i) determines the extent to which  
2 the COVID–19 pandemic has created im-  
3 mediate infrastructure needs, including in-  
4 frastructure-related health and safety  
5 needs, which must be addressed for child  
6 care facilities to operate in compliance with  
7 public health guidelines;

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

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

13 “(I) capacity;

14 “(II) investments in infrastruc-  
15 ture changes;

16 “(III) the types of infrastructure  
17 changes centers need to implement  
18 and their associated costs;

19 “(IV) the price of tuition; and

20 “(V) any changes or anticipated  
21 changes in the number and demo-  
22 graphic of children attending.

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

1           “(C) REPORT.—Not later than 1 year  
2 after the date of the enactment of this section,  
3 the Secretary shall submit to the Congress a re-  
4 port containing the result of the needs assess-  
5 ment conducted under subparagraph (A), and  
6 make the assessment publicly available.

7           “(2) LONG-TERM NEEDS ASSESSMENT.—

8           “(A) IN GENERAL.—The Secretary shall  
9 conduct a long-term assessment of the condition  
10 of child care facilities throughout the United  
11 States (with priority given to child care facili-  
12 ties that receive Federal funds). The assess-  
13 ment may be conducted through representative  
14 random sampling.

15           “(B) REPORT.—Not later than 4 years  
16 after the date of the enactment of this section,  
17 the Secretary shall submit to the Congress a re-  
18 port containing the results of the needs assess-  
19 ment conducted under subparagraph (A), and  
20 make the assessment publicly available.

21           “(c) CHILD CARE FACILITIES GRANTS.—

22           “(1) GRANTS TO STATES.—

23           “(A) IN GENERAL.—The Secretary may  
24 award grants to States for the purpose of ac-  
25 quiring, constructing, renovating, or improving

1 child care facilities, including adapting, re-  
2 configuring, or expanding facilities to respond  
3 to the COVID–19 pandemic.

4 “(B) PRIORITIZED FACILITIES.—The Sec-  
5 retary may not award a grant to a State under  
6 subparagraph (A) unless the State involved  
7 agrees, with respect to the use of grant funds,  
8 to prioritize—

9 “(i) child care facilities primarily serv-  
10 ing low-income populations;

11 “(ii) child care facilities primarily  
12 serving children who have not attained the  
13 age of 5 years;

14 “(iii) child care facilities that closed  
15 during the COVID–19 pandemic and are  
16 unable to open without making modifica-  
17 tions to the facility that would otherwise be  
18 required to ensure the health and safety of  
19 children and staff; and

20 “(iv) child care facilities that serve the  
21 children of parents classified as essential  
22 workers during the COVID–19 pandemic.

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

1           “(D) APPLICATION.—To seek a grant  
2 under this subsection, a State shall submit to  
3 the Secretary an application at such time, in  
4 such manner, and containing such information  
5 as the Secretary may require, which informa-  
6 tion shall—

7                   “(i) be disaggregated as the Secretary  
8 may require; and

9                   “(ii) include a plan to use a portion of  
10 the grant funds to report back to the Sec-  
11 retary on the impact of using the grant  
12 funds to improve child care facilities.

13           “(E) PRIORITY.—In selecting States for  
14 grants under this subsection, the Secretary  
15 shall prioritize States that—

16                   “(i) plan to improve center-based and  
17 home-based child care programs, which  
18 may include a combination of child care  
19 and early Head Start or Head Start pro-  
20 grams;

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

24                   “(iii) show evidence of collaboration  
25 with—

1 “(I) local government officials;

2 “(II) other State agencies;

3 “(III) nongovernmental organiza-  
4 tions, such as—

5 “(aa) organizations within  
6 the philanthropic community;

7 “(bb) certified community  
8 development financial institutions  
9 as defined in section 103 of the  
10 Community Development Bank-  
11 ing and Financial Institutions  
12 Act of 1994 (12 U.S.C. 4702)  
13 that have been certified by the  
14 Community Development Finan-  
15 cial Institutions Fund (12 U.S.C.  
16 4703); and

17 “(cc) organizations that  
18 have demonstrated experience  
19 in—

20 “(AA) providing tech-  
21 nical or financial assistance  
22 for the acquisition, construc-  
23 tion, renovation, or improve-  
24 ment of child care facilities;

1                   “(BB) providing tech-  
2                   nical, financial, or manage-  
3                   rial assistance to child care  
4                   providers; and

5                   “(CC) securing private  
6                   sources of capital financing  
7                   for child care facilities or  
8                   other low-income community  
9                   development projects; and

10                   “(IV) local community organiza-  
11                   tions, such as—

12                   “(aa) child care providers;

13                   “(bb) community care agen-  
14                   cies;

15                   “(cc) resource and referral  
16                   agencies; and

17                   “(dd) unions.

18                   “(F) CONSIDERATION.—In selecting States  
19                   for grants under this subsection, the Secretary  
20                   shall consider—

21                   “(i) whether the applicant—

22                   “(I) has or is developing a plan  
23                   to address child care facility needs;  
24                   and

1                   “(II) demonstrates the capacity  
2                   to execute such a plan; and

3                   “(ii) after the date the report required  
4                   by subsection (b)(1)(C) is submitted to the  
5                   Congress, the needs of the applicants  
6                   based on the results of the assessment.

7                   “(G) DIVERSITY OF AWARDS.—In award-  
8                   ing grants under this section, the Secretary  
9                   shall give equal consideration to States with  
10                  varying capacities under subparagraph (F).

11                  “(H) MATCHING REQUIREMENT.—

12                  “(i) IN GENERAL.—As a condition for  
13                  the receipt of a grant under subparagraph  
14                  (A), a State that is not an Indian tribe  
15                  shall agree to make available (directly or  
16                  through donations from public or private  
17                  entities) contributions with respect to the  
18                  cost of the activities to be carried out pur-  
19                  suant to subparagraph (A), which may be  
20                  provided in cash or in kind, in an amount  
21                  equal to 10 percent of the funds provided  
22                  through the grant.

23                  “(ii) DETERMINATION OF AMOUNT  
24                  CONTRIBUTED.—Contributions required by  
25                  clause (i) may include—

1           “(I) amounts provided by the  
2           Federal Government, or services as-  
3           sisted or subsidized to any significant  
4           extent by the Federal Government; or  
5           “(II) philanthropic or private-sec-  
6           tor funds.

7           “(I) REPORT.—Not later than 6 months  
8           after the last day of the grant period, a State  
9           receiving a grant under this paragraph shall  
10          submit a report to the Secretary as described in  
11          subparagraph (D)—

12           “(i) to determine the effects of the  
13           grant in constructing, renovating, or im-  
14           proving child care facilities, including any  
15           changes in response to the COVID–19  
16           pandemic and any effects on access to and  
17           quality of child care; and

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

20          “(J) AMOUNT LIMIT.—The annual amount  
21          of a grant under this paragraph may not exceed  
22          \$35,000,000.

23          “(2) GRANTS TO INTERMEDIARY ORGANIZA-  
24          TIONS.—

1           “(A) IN GENERAL.—The Secretary may  
2           award grants to intermediary organizations,  
3           such as certified community development finan-  
4           cial institutions, tribal organizations, or other  
5           organizations with demonstrated experience in  
6           child care facilities financing, for the purpose of  
7           providing technical assistance, capacity build-  
8           ing, and financial products to develop or finance  
9           child care facilities.

10           “(B) APPLICATION.—A grant under this  
11           paragraph may be made only to intermediary  
12           organizations that submit to the Secretary an  
13           application at such time, in such manner, and  
14           containing such information as the Secretary  
15           may require.

16           “(C) PRIORITY.—In selecting intermediary  
17           organizations for grants under this subsection,  
18           the Secretary shall prioritize intermediary orga-  
19           nizations that—

20                   “(i) demonstrate experience in child  
21                   care facility financing or related commu-  
22                   nity facility financing;

23                   “(ii) demonstrate the capacity to as-  
24                   sist States and local governments in devel-  
25                   oping child care facilities and programs;

1           “(iii) demonstrate the ability to lever-  
2           age grant funding to support financing  
3           tools to build the capacity of child care  
4           providers, such as through credit enhance-  
5           ments;

6           “(iv) propose to meet a diversity of  
7           needs across States and across urban, sub-  
8           urban, and rural areas at varying types of  
9           center-based, home-based, and other child  
10          care settings, including early care pro-  
11          grams located in freestanding buildings or  
12          in mixed-use properties; and

13          “(v) propose to focus on child care fa-  
14          cilities primarily serving low-income popu-  
15          lations and children who have not attained  
16          the age of 5 years.

17          “(D) AMOUNT LIMIT.—The amount of a  
18          grant under this paragraph may not exceed  
19          \$10,000,000.

20          “(3) REPORT.—Not later than the end of fiscal  
21          year 2024, the Secretary shall submit to the Con-  
22          gress a report on the effects of the grants provided  
23          under this subsection, and make the report pub-  
24          lically accessible.

1       “(d) LIMITATIONS ON AUTHORIZATION OF APPRO-  
2 PRIATIONS.—

3           “(1) IN GENERAL.—To carry out this section,  
4 there is authorized to be appropriated  
5 \$10,000,000,000 for fiscal year 2020, which shall  
6 remain available through fiscal year 2024.

7           “(2) RESERVATIONS OF FUNDS.—

8           “(A) INDIAN TRIBES.—The Secretary shall  
9 reserve 3 percent of the total amount made  
10 available to carry out this section, for payments  
11 to Indian tribes.

12           “(B) TERRITORIES.—The Secretary shall  
13 reserve 3 percent of the total amount made  
14 available to carry out this section, for payments  
15 to territories.

16           “(3) GRANTS FOR INTERMEDIARY ORGANIZA-  
17 TIONS.—Not less than 10 percent and not more  
18 than 15 percent of the total amount made available  
19 to carry out this section may be used to carry out  
20 subsection (c)(2).

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

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

5       (b) EXEMPTION OF TERRITORY GRANTS FROM LIM-  
6 TATION ON TOTAL PAYMENTS TO THE TERRITORIES.—  
7 Section 1108(a)(2) of such Act (42 U.S.C. 1308(a)(2))  
8 is amended by inserting “418A(e),” after “413(f),”.

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