

Child Care Access and Equity: Proposed Grants in Title XIII, Subtitle C of the “Build Back Better Act”

September 27, 2021

On September 27, 2021, the House Committee on the Budget reported a measure (H.R. 5376; H.Rept. 117-130) providing for reconciliation pursuant to the directives in the FY2022 budget resolution (S.Con.Res. 14). This measure has been referred to informally as the “Build Back Better Act.”

This Insight provides an overview of the “Child Care Access and Equity” provisions in Title XIII, Subtitle C, of H.R. 5376. These provisions were previously [marked up](#) by the House Committee on Ways and Means. (The Ways and Means Committee also marked up several tax-related child care recommendations in Title XIII, Subtitle H; these provisions are discussed in [CRS Report R46923](#). Additional child care provisions marked up by the House Committee on Education and Labor are discussed in [CRS Insight IN11750](#).)

Subtitle C would create several new child care programs within Section 418 of the Social Security Act. These programs, which would be administered by the U.S. Department of Health and Human Services (HHS), would fund

- Child Care Information Networks (CCINs),
- child care infrastructure grants,
- child care wage grants,
- tribal child care activities, and
- technical assistance.

Child Care Information Networks (CCINs)

Section 132001 would provide start-up funds and matching grants to states and territories to establish and maintain CCINs. The CCINs would provide families with “an up-to-date, publicly available compilation of child care providers who are registered, licensed, or regulated by the State.” CCINs would be required to include a variety of information about each provider, such as their location, hours of operation, fees, and number of openings available, as well as information about the provider’s waiting list (if applicable).

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States could operate the CCIN themselves, contract out the CCIN to a child care resource and referral agency (CCR&R), or operate the CCIN in conjunction with a CCR&R.

Child care providers listed in a CCIN would be required to submit information each quarter. Some information, such as the number of openings available and the average time parents spend on the provider's waiting list, would need to be updated weekly. In order to ensure that states' CCINs are accurate and up-to-date, the HHS Secretary would periodically conduct accuracy checks.

Providers that submit required information to the CCIN on a weekly basis would be eligible to receive an HHS Participating Child Care Provider Certification if they meet certain requirements specified in the law. For instance, providers must meet health and safety requirements and make services available to the general public. Providers that qualify for the certification would generally be eligible for a payroll tax credit for certain wages paid to child care workers, as proposed in Subtitle H.

The bill would appropriate

- \$200 million for CCIN start-up grants for each of FY2022 and FY2023,
- such sums as may be necessary for matching grants for each of FY2022-FY2026 for eligible expenditures related to CCINs (federal match would equal 75% of eligible expenditures), and
- \$50 million to HHS for each of FY2022-FY2026 for specified administrative expenses related to CCINs and the Participating Child Care Provider Certification.

Infrastructure Grants

Section 132002 would provide grants to states and territories “for the purpose of helping child care providers acquire, construct, renovate, or improve child care facilities.”

To receive a grant, states and territories would be required to submit a plan that analyzes their need for child care infrastructure. They would also be required to provide an amount equal to 10% of the grant, either in cash or in kind, as a match.

The HHS Secretary would allocate grants to states and territories with approved plans

- to improve child care facilities to meet or exceed health and safety standards;
- to meet the needs of providers across urban, suburban, or rural areas;
- to improve the facilities of certified HHS Participating Child Care Providers (discussed above); and
- that demonstrate collaboration with stakeholders.

Section 132002 would also authorize HHS to award grants to intermediary organizations, such as community development financial institutions, to provide “technical assistance, capacity-building, and financial products to develop or finance child care facilities.” In selecting such organizations, HHS would have to consult with organizations that, among other things, propose to focus on child care facilities that operate during nontraditional hours and that primarily serve low-income populations and children under age 13.

The bill would appropriate \$15 billion for infrastructure grants in FY2022, to remain available through FY2026.

Wage Grants

Section 132005 would provide grants to reimburse states, territories, and tribes for wage grants to qualified child care providers. Child care providers would use the grants to supplement the wages of eligible employees. Wage grants would be capped at \$16,000 per year for a full-time employee and \$10,000 per year for a part-time employee.

To qualify for a wage grant, a provider must meet certain requirements. For instance, the provider must be licensed, regulated, or registered with the state; meet health and safety standards; be in good standing; and have at least one employee who was not eligible for the payroll tax credit in Subtitle H. In addition, qualified providers must (at the time of application) pay wages that are equal to at least level 3, step 1 of the [General Schedule](#), including any locality adjustments. Providers receiving a wage grant would be prohibited from decreasing hourly wages paid to employees for the grant period.

The bill would appropriate such sums as may be necessary for wage grants under this section for each of FY2023-FY2026. It would appropriate \$10 million for FY2022 for HHS to provide technical assistance related to the wage grant program.

Tribal Child Care

Section 132004 would appropriate \$200 million for each of FY2022-FY2026 to HHS for tribal consultations and grants to Indian tribes and tribal organizations. Tribes would use these funds to implement CCINs, coordinate with the Secretary regarding the HHS Participating Child Care Provider Certification, and conduct child care infrastructure projects.

Technical Assistance

Section 132003 would appropriate \$17.5 million for each of FY2022-FY2026 to HHS. HHS would use these funds to provide technical assistance related to CCINs, infrastructure grants, and other activities to increase child care availability and affordability.

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