



The Child Care is Essential Act Section-by-Section Summary

Title I. Department of Health and Human Services.

This title appropriates \$50 billion to the Child Care Development Block Grant Act of 1990 (CCDBG) to carry out the Child Care Stabilization Fund grants as authorized by section 1 of this Act. Funds shall be available without regard to requirements related to administrative costs, assistance to certain families, and direct services in subparagraphs (C) through (E) of section 658E(c)(3) and requirements related to quality activities in section 658G of CCDBG. Moreover, funds appropriated in this Act may be used to restore amounts for obligations incurred prior to the date of the enactment of this Act and are designated as being for an emergency pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

Sec. 1.

This section establishes a child care stabilization fund that requires the Secretary of Health and Human Services to award grants to lead agencies in states, territories, Indian tribes, and tribal organizations to make subgrants to qualified child care providers to support the stability of the child care sector during and after the COVID-19 public health emergency.

Subsec. a. Definitions.

This subsection applies the definitions for the terms “eligible child care provider”, “Indian tribe”, “lead agency”, “tribal organization”, “Secretary”, and “State” in CCDBG to this subtitle and defines “COVID-19 public health emergency”.

Subsec. b. Grants.

This subsection requires the Secretary of Health and Human Services to award, under the Authority of section 658O of CCDBG, child care stabilization grants to the lead agencies in each state, territory, Indian tribe, and tribal organization within 30 days of the enactment of this Act.

Subsec. c. Secretarial Reservation and Allotments.

This subsection requires the Secretary to reserve no more than 1 percent of funds for administrative activities. It further requires the Secretary of Health and Human Services to award child care stabilization grants to the lead agencies in each state, territory, Indian tribe, and tribal organization according to the definitions and formula specified in section 658O of CCDBG.

Subsec. d. State Reservations and Subgrants.

This subsection requires lead agencies to reserve no more than 10 percent of funds allotted to them for administrative costs, technical assistance to help providers apply for and access the subgrants,

dissemination and outreach activities to ensure providers are aware of the subgrant opportunity, completion of the reporting requirements described in the reporting subsection, and activities to improve the supply and quality of child care.

This subsection requires lead agencies to use the remainder of the funds allotted to them after the administrative reservation is applied to award subgrants to qualified child care providers to support the stability of the child care sector during and after the COVID-19 public health emergency. Qualified child care providers are those who meet the following criteria: (1) are eligible under CCDBG; (2) were providing child care services on or before March 1, 2020; and (3) are either open and available to provide child care services or closed due to the COVID-19 public health emergency. The subgrant amount must cover the provider's operating expenses, account for increased costs of providing child care as a result of the COVID-19 public health emergency, and be adjusted for payments or reimbursements made to a provider through CCDBG, Head Start, or the Paycheck Protection Program (PPP).

In order to receive a subgrant, a child care provider must submit an application to the lead agency that shall include: a good-faith certification that the provider's operations have been impacted by the COVID-19 public health emergency; information about the provider's characteristics related to priority status, operational status, program type, enrollment and capacity, and receipt of assistance through the Paycheck Protection Program; and other information the lead agency may deem necessary to determine the subgrant amount. The application shall also include assurances that all providers will pay employees full compensation, including any existing benefits, will provide families relief from copayments and tuition, and will prioritize such relief for families struggling to make payments. Providers that are open must also provide assurances that they will implement policies and practices that abide by public health guidance for child care providers and will give priority for available slots to children of workers whose places of employment require their attendance, children experiencing homelessness, children with disabilities, children at risk of child abuse and neglect, and children in foster care. Providers that are open and in states, tribal communities, or localities with stay-at-home orders shall also give priority to children of essential workers. Providers that are closed must provide assurances that children enrolled as of March 1, 2020 will maintain their slots during the COVID-19 public health emergency, and that the provider will resume operations when the provider is able to safely implement policies and practices that abide by public health guidance.

The lead agency is required to accept and process applications on a rolling basis, verify whether providers receiving subgrants are open or closed at least once a month, allow providers to update the information provided on an application, and adjust the subgrant amount as necessary based on such updates. In states and tribal communities where the lead agency has an existing grant program for child care providers, the lead agency must treat an application submitted for such a program that contains all the information required under this section as an application for this section. In states and tribal communities where the lead agency has an existing grant program for child care providers and the application for such a program contains some of the information required under this section, the lead agency shall allow a provider to submit an abbreviated application and accept that as an application under this section.

The lead agency is required to make all materials and resources, including notification of subgrant opportunities and the application, available in the languages most commonly spoken in the State. The lead agency is further required to make the application accessible on the lead agency's website within 30 days of receiving grant funds and ensure the application is accessible to all qualified child care providers, including family child care providers, group home child care providers, and

other non-center-based child care providers as well as to child care providers with limited administrative capacity.

In making subgrants, the lead agency must give priority to the following providers: those who provide child care during nonstandard work hours; those who serve dual language learners, children with disabilities, children experiencing homelessness, children in foster care, children from low-income families, or infants and toddlers; those who serve a high proportion of children who receive CCDBG subsidies; and those operating in communities with a low supply of child care, including rural communities.

The lead agency cannot disqualify a qualified child care from obtaining a subgrant because such provider has obtained assistance through CCDG, Head Start, or the PPP.

This subsection also requires the lead agency to award subgrants equitably among center-based providers, family child care providers, group home providers, and other non-center-based child care providers such that providers are able to access subgrants regardless of their setting, size, or administrative capacity.

This section further requires the lead agency to obligate at least 50 percent of funds appropriated to award subgrants by December 31, 2020.

Subsec. e. Uses of Funds.

This subsection lists the allowable uses of funds for subgrants, which include: payroll; employee benefits; employee salaries or similar compensation, including compensation for sole proprietors; mortgage obligations; rent; utilities; insurance; premium pay for provider and other employees who provide services during the COVID-19 public health emergency; sanitization and cleaning; personal protective equipment and other equipment necessary to carry out the functions of the provider; training and professional development related to health and safety practices; modifications to child care services as a result of the COVID-19 public health emergency; mental health supports for children and employees; and other goods and services necessary to maintain or resume the provider's operation or to maintain the viability of the provider as a going concern. Funds can be used to reimburse providers for sums obligated or expended before the date of the enactment of the Act if such sums were used to respond to the COVID-19 public health emergency.

Subsec. f. Reporting.

This subsection requires the lead agency to submit a report to the Secretary of Health and Human Services within 60 days of awarding the first subgrant. That report shall include data on providers that applied for subgrants as well as providers that received subgrants, including: the number of such applicants and recipients; the proportion of such applicants and recipients that received priority; the proportion of such applicants and recipients by type, and the proportion of such applicants and recipients that were either open or closed at the time the application was submitted. The report shall also include the total capacity of providers that are licensed, regulated, or registered in the State; a description of the efforts of the lead agency to publicize the availability of the subgrants and make materials available in languages other than English; a description of the lead agency's methodology for determining subgrant amounts; the lead agency's timeline for disbursing grant funds; and a description of the lead agency's plan for ensuring that providers comply with assurances and use subgrant funds as allowed under this subtitle. Following the submission of this initial report, the lead agency is required to submit quarterly reports to the

Secretary of Health and Human Services that contain updated figures and such other limited information as the Secretary may require.

This subsection further requires the lead agency to submit a final report to the Secretary of Health and Human Services within 60 days of expending all funds allotted under this section. Such report shall include the total number of eligible providers in the State; the number of qualified providers that received subgrants the lead agency's methodology for determining subgrant amounts; the average and range of subgrant amounts by provider type; the proportion of providers that received a subgrant that received priority; the proportion of providers that received a subgrant by type; the proportion of providers that received a subgrant that were either open or closed at the time the application was submitted; the number of children served by providers who received a subgrant; information about how providers used subgrant funds; and information about how the subgrants helped stabilize the child care sector.

This subsection also requires the Secretary of Health and Human Services to provide a report to the Committee on Education and Labor, the Committee on Health, Education, Labor, and Pensions, and the Committees on Appropriations of the House of Representatives and the Senate that summarizes the information provided in the lead agency initial reports within 60 days of receiving all such initial reports. This section further requires Secretary of Health and Human Services to provide a report to the Committee on Education and Labor, the Committee on Health, Education, Labor, and Pensions, and the Committees on Appropriations of the House of Representatives and the Senate that summarizes the information provided in the lead agency final reports within 36 months of the Enactment of the Act.

Subsec. g. Supplement not Supplant.

This subsection requires that funds made available under this Subtitle be used to supplement and not supplant other Federal, State, and local public funds expended to provide child care services.

Subsec. h. Reallotment of Unobligated Funds.

This subsection requires states, Indian tribes, and tribal organizations to return to the Secretary of Health and Human Services any funds that are not obligated by September 30, 2021. This subsection further requires the Secretary of Health and Human Services to reallot such returned funds to States Indian tribes, and tribal organizations that did not return funds within 60 days of receiving such funds and allows such funds to remain available through fiscal year 2022.

Subsec. i. Exceptions.

This subsection applies all CCDBG provisions, except for sections 658E(c)(3)(C)-(E), 658G, and 658J(c), to this subtitle to the extent that such provisions do not conflict with provisions in this section.

Subsec. j. Authorization of Appropriations.

This subsection authorizes \$50 billion to be used to carry out this Act. This subsection further specifies that the Secretary of Health and Human Services shall exclude funds appropriated for this Act when calculating state, territory, and tribal allotments for other supplemental CCDBG funding.

Sec. 2.

This section states that amounts appropriated in this Act are in addition to amounts otherwise appropriated for this fiscal year.

Sec. 3.

This section states that, except where otherwise provided by this Act, amounts appropriated under this Act shall be available under the authorities and conditions applicable to CCDBG funding for fiscal year 2020.

This section further states that this Act may be cited as the “Child Care Is Essential Act.”