

CHILD CARE SMALL BUSINESS INSIGHT AND
IMPROVEMENT ACT OF 2023

—————
FEBRUARY 13, 2024.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed
—————

Mr. WILLIAMS of Texas, from the Committee on Small Business,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 6156]

The Committee on Small Business, to whom was referred the bill (H.R. 6156) to require the Administrator of the Small Business Administration to designate a point of contact for for-profit child care providers, submit a report to Congress, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Child Care Small Business Insight and Improvement Act of 2023”.

SEC. 2. REPORT ON FOR-PROFIT CHILD CARE PROVIDERS.

(a) **IN GENERAL.**—Not later than 120 days after the date of the enactment of this Act, the Administrator of the Small Business Administration shall submit to Congress a study and report on for-profit child care providers that includes—

- (1) an assessment of the challenges and needs of such providers;
- (2) a description of the resources and support that the Small Business Administration provides to such providers;
- (3) any deficiencies in the resources and support described under paragraph (2);
- (4) any recommendations for legislative actions necessary to address any challenges or needs faced by such providers that are identified by the report required in this subsection; and
- (5) an identification of the leadership needs in order to successfully implement such recommendations.

(b) **FOR-PROFIT CHILD CARE PROVIDER DEFINED.**—The term “for-profit child care provider” has the meaning given the term “eligible child care provider” in section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) and is a provider that operates—

- (1) on a for-profit basis; and
- (2) in one or more of the several States, territory or possession of the United States, or the District of Columbia.

(c) **COMPLIANCE WITH CUTGO.**—No additional amounts are authorized to be appropriated to carry out this Act.

I. PURPOSE AND BILL SUMMARY

On November 1, 2023, Rep. Landsman, along with Rep. Letlow, introduced H.R. 6156. The purpose of H.R. 6156, the “Child Care Small Business Insight and Improvement Act of 2023,” is to require the Administrator of the Small Business Administration (SBA) to issue a report on the needs and challenges of for-profit childcare providers.

II. NEED FOR LEGISLATION

Workforce issues are among the greatest concerns facing small business owners. The high cost of childcare can make it difficult for entrepreneurs to juggle growing families and the demands of owning a small business. This can also make it harder for small business employers to offer competitive salaries to employees who have to pay out of pocket for childcare. America’s childcare providers supply vital resources to local communities, and we must understand the challenges that small businesses face in this field to ensure the vitality of our local economies.

III. HEARINGS

In the 118th Congress, the Committee held one hearing examining the issues covered in H.R. 6156. On December 12, 2023, the Committee held a hearing titled “A Year in Review: The State of Small Business in America.” Witnesses at the hearing discussed challenges related to recruiting and retaining qualified workers, many of whom depend on affordable childcare.

IV. COMMITTEE CONSIDERATION

The Committee on Small Business met in open session, with a quorum being present, on January 31, 2024, and ordered H.R. 6156 reported to the House of Representatives. During the markup, one amendment in the nature of a substitute (ANS) was offered and adopted by voice vote. In addition to ensuring that the legislation complies with CUTGO, the ANS streamlines the legislation by eliminating a requirement that the SBA hire a new employee who focuses on childcare issues. This will help ensure that the cost of the bill remains negligible while meeting the intent of the bill's authors.

V. COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the recorded votes on the motion to report legislation and amendments thereto. The Committee voted to favorably report H.R. 6156 as amended to the House of Representatives at 12:02 p.m.

118th Congress, House Committee on Small Business
Vote Record

Date: Wednesday, Jan 31st, 2024

H.R.- 6156

Time of Vote: 12:00

Republicans	Aye	No	Present
Mr. Luetkemeyer (MO-03)	✓		
Mr. Stauber (MN-08)	✓		
Mr. Meuser (PA-09)	✓		
Ms. Van Duyne (TX-24)	✓		
Ms. Salazar (FL-27)	✓		
Mr. Mann (KS-01)	✓		
Mr. Ellzey (TX-06)	✓		
Mr. Molinaro (NY-19)			
Mr. Alford (MO-04)	✓		
Mr. Crane (AZ-02)	✓		
Mr. Bean (FL-04)	✓		
Mr. Hunt (TX-38)	✓		
Mr. (La-Low-ta) Lalota (NY-01)	✓		
Ms. Maloy (UT-02)			
Chairman Williams (TX-25)	✓		
TOTALS:			

Mr. Chairman _____ Votes _____

Mr. Chairman _____ Off _____, Votes _____

Mr. Chairman on that vote 23 Ayes 0 Nays and 0 Present

118th Congress, House Committee on Small Business
Vote Record

Date: Wednesday, Jan 31st, 2024

H.R.- 6156

Time of Vote:

Democrats	Aye	No	Present
Mr. Golden (ME-02)	✓		
Mr. M-fume (MD-07)	✓		
Mr. Phillips (MN-03)			
Mr. Landsman (OH-01)	✓		
Mr. Mc-Gar-vey (KY-03)	✓		
Ms. Glue-sen-kamp Perez (WA-03)	✓		
Ms. (Skull- ton) Scholten (MI-03)	✓		
Mr. (Tan-a-dar) Thanedar (MI-13)	✓		
Ms. (Chew) Chu (CA-28)	✓		
Ms. Davids (KS-03)	✓		
Mr. Pappas (NH-01)			
Ranking Member Velazquez (NY-07)	✓		
TOTALS:			

VI. SECTION-BY-SECTION OF H.R. 6156

Section 1—Short title

This section cites the bill as the “Child Care Small Business Insight and Improvement Act of 2023.”

Section 2—Report on for-profit child care providers

This section requires the SBA to issue a report within 120 days of the bill’s enactment to the House and Senate Committees on Small Business on challenges faced by for-profit childcare providers.

VII. CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

Pursuant to clause 3(d)(1) of House rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974. The Committee has requested but not received from the Director of the Congressional Budget Office a cost estimate for the Committee’s provisions. Once available, the cost estimate will be published in the Congressional Record.

VIII. NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a)(I) of the Congressional Budget Act of 1974, the Committee provides the following opinion and estimate with respect to new budget authority, entitlement authority, and tax expenditures. While the Committee has not received an estimate of new budget authority contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to Sec. 402 of the Congressional Budget Act of 1974, the Committee does not believe that there will be any additional costs attributable to this legislation. H.R. 6156 does not direct new spending, but instead reallocates funding independently authorized and appropriated.

IX. OVERSIGHT FINDINGS & RECOMMENDATIONS

In accordance with clause 3(c)(1) of rule XIII and clause 2(b)(1) of rule X of the Rules of the House of Representatives, the oversight findings and recommendations of the Committee on Small Business with respect to the subject matter contained in the H.R. 6156 are incorporated into the descriptive portions of this report.

X. PERFORMANCE GOALS AND OBJECTIVES

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the performance goals and objectives of H.R. 6156 are to require a report from the SBA to Congress within 120 days of enactment on the needs and challenges of for-profit child care providers, identify what resources the SBA currently provides to for-profit child care providers, and recommendations to address the challenges faced by for-profit child care providers.

XI. STATEMENT OF DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, no provision of H.R. 6156 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

XII. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee finds that the bill does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI of the Rules of the House of Representatives.

XIII. FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

XIV. FEDERAL ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

XV. APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

XVI. STATEMENT OF CONSTITUTIONAL AUTHORITY

Pursuant to clause 7 of rule XII of the Rules of the House of Representatives, the Committee finds that the authority for this legislation in Art. I, § 8, cl. 1 of the Constitution of the United States.

XVII. MINORITY VIEWS

Affordable, high-quality childcare is essential for working families. Today, 60 percent of children have parents in the workforce,¹ and of the 60 million children under 14 in the United States, (pre-pandemic) 12 million were placed in paid childcare.² When quality, affordable childcare is readily available, the benefits are felt not only by families, but by small businesses, as well.

Access to affordable and quality childcare has a positive impact on workforce participation, allowing small firms to access a larger pool of workers and maintain a reliable workforce. Employers report fewer absences, less turnover, increased stability, and generally greater satisfaction among workers who have access to childcare.

On the other hand, a lack of access to affordable, quality childcare for children under the age of three costs \$122 billion each year, resulting in a staggering economic toll on working parents, their employers, and taxpayers. A recent study found nearly two-thirds of parents of infants and toddlers face childcare issues that affect their productivity at work, resulting in \$78 billion in forgone earnings and job search expenses for families, \$23 billion in workforce shortages for employers, and \$21 billion in lower federal, state, and local tax revenues.³

Unfortunately, quality childcare services and programs have been in short supply in the United States, and the COVID-19 pandemic further exacerbated the shortages within the industry. In 2019 there were 675,000 childcare establishments producing \$47.2 billion in revenue and employing 1.5 million workers.⁴ However, in 2021, there were only 595,366 childcare businesses, producing \$58.4 billion in revenue and employing 1.3 million workers.

Expanding access to quality childcare services is critical to families, small businesses, and local economies. The Small Business Administration is well-poised to deliver critical assistance, particularly through its entrepreneurial development ecosystem. Requiring the SBA to conduct a study on the needs and challenges for for-profit childcare providers is an important first step that will pro-

¹ *Economic Role of Paid Childcare*, COMMITTEE FOR ECONOMIC DEVELOPMENT (Feb. 2022), https://www.ced.org/pdf/Economic_Role_of_Paid_Child_Care_Part_1_-_Final.pdf.

² *Id.*

³ *\$122 Billion: The Growing, Annual Cost of the Infant Toddler Child Care Crisis*, READY NATION COUNCIL FOR A STRONG AMERICA (February 2023) <https://strongnation.s3.amazonaws.com/documents/1598/05d917e2-9618-4648-a0ee-1b35d17e2a4d.pdf?1674854626&inline;filename=%22%24122%20Billion:%20The%20Growing,%20Annual%20Cost%20of%20the%20Infant-Toddler%20Child%20Care%20Crisis.pdf>.

⁴ *Child Care in State Economies*, COMMITTEE FOR ECONOMIC DEVELOPMENT (2019), <https://www.ced.org/assets/reports/childcareimpact/181104%20CCSE%20Report%20Jan30.pdf>.

vide policy makers with the information needed to meet the labor needs of small businesses and working families.

Sincerely,

NYDIA M. VELÁQUEZ,
Ranking Member.

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